

1 IN THE UNITED STATES MAGISTRATE COURT

2 FOR THE SOUTHERN DISTRICT OF TEXAS

3 HOUSTON DIVISION

4 UNITED STATES OF AMERICA § CASE NO.: H-09-00140-M
§
5 VERSUS § HOUSTON, TEXAS
§ FEBRUARY 27, 2009
6 LAURA PENDERGEST-HOLT § 10:33 A.M. TO 2:30 P.M.

7
8 INITIAL APPEARANCE / BOND HEARING

9 BEFORE THE HONORABLE MARY MALLOY
10 UNITED STATES MAGISTRATE JUDGE

11 APPEARANCES:

12 FOR PLAINTIFF: SEE NEXT PAGE
13 FOR DEFENDANT: SEE NEXT PAGE
14 COURT RECORDER: SUZANNE GUEVARA
15 CASE MANAGER: CATHY MCBROOM
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1 HOUSTON, TEXAS; FRIDAY, FEBRUARY 27, 2009; 10:33 A.M.

2 **THE COURT:** In the matter of
3 *Laura Pendergest-Holt.*

4 **MR. COGDELL:** Good morning, Your Honor.

5 **THE COURT:** Good morning.

6 Mr. Cogdell, you're representing Ms. Holt?

7 **MR. COGDELL:** I am along with Mr. Flood, yes,
8 ma'am.

9 **THE COURT:** With Mr. Flood?

10 **MR. COGDELL:** We just got this.

11 Could you give us a few minutes?

12 **THE COURT:** All right, fine. I thought you all
13 were anxious to get out of here, so fine with me.

14 **MR. COGDELL:** Well, we're -- always a pleasure to
15 see you but let us talk first.

16 **THE COURT:** Oh, yeah, well --

17 (Recess taken from 10:33 a.m. to 10:45 a.m.)

18 **AFTER RECESS**

19 **THE COURT:** All right. Who's representing the
20 Government in regard to Laura Pendergest-Holt?

21 **MR. PELLETIER:** Your Honor, Paul Pelletier on
22 behalf of the United States.

23 **THE COURT:** Pelletier?

24 **MR. PELLETIER:** Pelletier. Pelletier, Pelletier,
25 your pleasure.

1 **THE COURT:** Are you from Dallas?

2 **MR. PELLETIER:** I am not. I am from --

3 **THE COURT:** Well, that was emphatic.

4 **MR. COGDELL:** Maine justice sniper, Your Honor.

5 **THE COURT:** Oh, okay.

6 **MR. PELLETIER:** Massachusetts is where we are.

7 **THE COURT:** All right. But really, how do you
8 pronounce it?

9 **MR. PELLETIER:** Pelletier is fine.

10 **THE COURT:** Pelletier, okay.

11 Are there any -- are you going to waive
12 probable cause?

13 **MR. COGDELL:** We will.

14 **THE COURT:** You going to waive identity?

15 **MR. COGDELL:** We'll waive identity.

16 We do have an issue on bond.

17 **THE COURT:** All right.

18 **MR. COGDELL:** We're fine with what Pretrial
19 recommends. The Government is not.

20 **THE COURT:** All right. Is the Government moving
21 for detention?

22 **MR. PELLETIER:** We are not, Your Honor.

23 **THE COURT:** All right.

24 **MR. PELLETIER:** But we are moving for a
25 substantial surety bond.

1 **(Pause)**

2 **MR. COGDELL:** To be clear, Judge, I'm not waiving
3 the preliminary examination if they don't agree to bond. So
4 I'm assuming they're going to put on testimony and I'm happy
5 to address or cross their testimony and present some of
6 mine.

7 **THE COURT:** Well, you either waive it or you
8 don't, Mr. Cogdell.

9 **MR. COGDELL:** I don't.

10 **THE COURT:** All right. But do you want it here
11 or in Dallas?

12 **MR. COGDELL:** I want it here.

13 **THE COURT:** Well, then we'll set it what, Monday?

14 **MR. COGDELL:** We can't go forward today?

15 **(Clerk confers with the Court)**

16 **THE COURT:** Do you have witnesses today?

17 **MR. COGDELL:** We do. I assume the federal agent.

18 **THE COURT:** Well, you don't need witnesses on a
19 probable cause hearing --

20 **MR. COGDELL:** True, but I --

21 **THE COURT:** -- unless there's -- unless you want
22 to switch the burden which I'm sure they'd be happy.

23 **MR. COGDELL:** No, no, I thought they were going
24 to go forward with testimony concerning the bond that they
25 are seeking. Perhaps I was assuming incorrectly but --

1 **THE COURT:** I'm talking about just the probable
2 cause hearing. I mean, you either waive it or you don't. I
3 don't care.

4 **(Court confers with the clerk)**

5 **MR. COGDELL:** That's fine. Assuming that we are
6 going to get the facts -- or facts in circumstances on the
7 bond hearing testimony, then we'll waive the probable cause.

8 Make sense?

9 **THE COURT:** No, you either waive it or you don't.
10 It's not conditional.

11 **MR. COGDELL:** Okay. We'll waive probable cause.

12 **THE COURT:** All right. Well, it's up to
13 Ms. Holt and you need to talk to her.

14 **MR. COGDELL:** Yes, ma'am.

15 **THE COURT:** There is a form that waives probable
16 cause and identity because this is a Rule 5 case.

17 **MR. COGDELL:** Yes, ma'am.

18 **THE COURT:** All right?

19 **MR. COGDELL:** You did. It's being filled out. I
20 was waiting for Ms. Holt to be brought in.

21 **(Pause/voices off the record)**

22 **THE COURT:** All right. In the matter of
23 *United States of America versus Laura Pendergest-Holt.*

24 Would you come forward please, Ms. Holt?

25 **THE DEFENDANT:** Yes.

1 **THE COURT:** Please tell me your full name for the
2 record, ma'am?

3 **THE DEFENDANT:** Laura Pendergest-Holt.

4 **THE COURT:** And, Ms. Holt, have you hired
5 Mr. Cogdell to represent you in this matter?

6 **THE DEFENDANT:** Yes, I have.

7 **THE COURT:** All right. And, Mr. Pelletier,
8 you're representing the United States?

9 **MR. PELLETIER:** Yes, Your Honor. Paul Pelletier
10 on behalf of the United States.

11 **THE COURT:** All right. Is it Pendergest-Holt or
12 how do you prefer --

13 **THE DEFENDANT:** It's just Holt.

14 **THE COURT:** It's Ms. Holt. All right.

15 Ms. Holt, did you receive a copy of this
16 criminal complaint that was filed in this matter? There's a
17 copy of it if you need it.

18 **THE DEFENDANT:** Yes.

19 **MR. SPEAKER:** The copy of it you received
20 yesterday.

21 **THE DEFENDANT:** Yes. Yes, I have it.

22 **THE COURT:** How old are you, Ms. Holt?

23 **THE DEFENDANT:** Thirty-five.

24 **THE COURT:** And how much education have you had?

25 **THE DEFENDANT:** I have a Masters.

1 **THE COURT:** All right. So you don't have any
2 difficulty in reading or writing in English?

3 **THE DEFENDANT:** No. No, I don't.

4 **THE COURT:** Mr. Cogdell indicates that you
5 received a copy of this criminal complaint yesterday; is
6 that correct?

7 **THE DEFENDANT:** That's correct.

8 **THE COURT:** Do you understand that this criminal
9 complaint is pending in the Northern District of Texas, the
10 Dallas division? For that reason, the accusations will
11 probably be resolved in Dallas for all practical purposes
12 either by a plea of guilty or a trial or a dismissal.

13 Is that clear to you?

14 **THE DEFENDANT:** Yes.

15 **THE COURT:** You were arrested here --

16 **THE DEFENDANT:** Yes, ma'am.

17 **THE COURT:** -- because the authorities here for
18 some reason believe that you are the Laura Pendergest-Holt
19 that's named in this criminal complaint.

20 **THE DEFENDANT:** Yes.

21 **THE COURT:** You have the right to make the
22 authorities here in Houston link you to these accusations
23 before you can be ordered to go to Dallas to answer the
24 charge.

25 Is that clear?

1 **THE DEFENDANT:** Yes, ma'am.

2 **THE COURT:** So for these purposes -- I don't know
3 whether you're the Laura Pendergest-Holt or not that's
4 wanted in this case -- you have a right to make the
5 Government lawyers prove it.

6 **THE DEFENDANT:** Okay.

7 **THE COURT:** You have the right to remain silent.
8 You don't have to say anything in regard to this criminal
9 complaint or even as to your identification.

10 Please remember that if you choose not to
11 remain silent that instead of that you volunteer information
12 or give explanations or make any statements at all in
13 connection with this case, your own words could be used
14 against you at the trial. You would be giving evidence
15 against yourself in that way which you do not have to do.
16 The lawyers for the Government have made the accusations.
17 They need to prove the accusation beyond a reasonable doubt.

18 Is that clear?

19 **THE DEFENDANT:** Yes, ma'am.

20 **THE COURT:** All right. You have the right to
21 have a lawyer represent you not only here in Houston, for
22 the limited purposes of the hearings that you're entitled to
23 here in Houston, but you also have a right, obviously, to
24 have a lawyer in Dallas if you are found to be the one named
25 in the criminal complaint so that you can fight these

1 accusations in that jurisdiction.

2 Mr. Cogdell, have all the arrangements been
3 finalized for your representation of Ms. Holt here in
4 Houston?

5 **MR. COGDELL:** Yes, ma'am.

6 **THE COURT:** And do you intend to represent her in
7 Dallas as well?

8 **MR. COGDELL:** I do.

9 **THE COURT:** Okay. Then let me just address the
10 rest of my comments to Mr. Cogdell.

11 Mr. Cogdell, having advised Ms. Pendergest
12 that this matter is in the form of a criminal complaint, do
13 you have any -- have you had discussions with her about the
14 necessity for a probable cause hearing?

15 **MR. COGDELL:** I have, briefly.

16 May I confer very quickly, Your Honor?

17 **THE COURT:** Sure.

18 Let me just explain to you, Ms. Holt, that
19 right now the accusation is in the form of these pages --

20 **THE DEFENDANT:** Yes, ma'am.

21 **THE COURT:** -- just this paper that was filed by
22 the prosecutor to which was attached an investigator's
23 affidavit. You have the right to have witnesses come before
24 a judge to convince a judge that there is probable cause to
25 believe you broke the law so that you would have to stand

1 trial. Because this case is pending in Dallas, you have the
2 right to have that hearing, if it's necessary, either in
3 Houston or in Dallas, whichever makes most sense for you or
4 you could give up your right for that hearing entirely if
5 that makes sense for you.

6 If you give up the hearing, I just want to
7 make certain that you're doing so voluntarily and not as a
8 result of any promise or threat on your part --

9 **THE DEFENDANT:** Okay. Yes, ma'am.

10 **THE COURT:** -- or anybody's part.

11 **MR. COGDELL:** Yes, ma'am.

12 **THE COURT:** All right. Mr. Cogdell, do you want
13 to talk to Ms. Holt about that matter?

14 **MR. COGDELL:** I do, briefly, Your Honor.

15 **THE COURT:** All right.

16 **(Pause/Counsel confers with Defendant)**

17 **MR. COGDELL:** We're ready, Your Honor.

18 **THE COURT:** All right. Ms. Holt, let me -- you
19 said that you read the criminal complaint yesterday. Let me
20 remind you that in this criminal complaint you're accused of
21 obstructing a proceeding before a U.S. agency, that is, the
22 SEC, in violation of 18, United States Code, Section 1505.
23 Those numbers are just volume and page of the law book where
24 you can look up what Congress has prohibited.

25 **THE DEFENDANT:** Okay.

1 **THE COURT:** Do you understand what the accusation
2 is?

3 **THE DEFENDANT:** Yes, ma'am.

4 **THE COURT:** Do you understand that if there's
5 probable cause to believe that you broke the law, an
6 indictment will probably be returned? You'll have the
7 right to plead not guilty. If there's a trial in the matter
8 or if there's a plea of guilty and you're found guilty
9 beyond a reasonable doubt, the Judge who's presiding over
10 your case will have to punish you in some way.

11 **THE DEFENDANT:** Yes, ma'am.

12 **THE COURT:** Mr. Pelletier, what's the range of
13 punishment to which Ms. Holt would be subject if she's found
14 guilty of this charge in the criminal complaint?

15 **MR. PELLETIER:** A single charge of 1505,
16 Your Honor, would bring the maximum penalty of five years'
17 imprisonment.

18 **THE COURT:** And a fine?

19 **MR. PELLETIER:** A fine of \$250,000.

20 **THE COURT:** And supervised release?

21 **MR. PELLETIER:** Three years.

22 **THE COURT:** "Supervised release," Ms. Holt, means
23 that you have to live under Court rules of supervision even
24 after you are discharged from prison.

25 **THE DEFENDANT:** Yes, ma'am.

1 **THE COURT:** So do you understand all the
2 consequences of a finding of guilt in this matter?

3 **THE DEFENDANT:** Yes, ma'am.

4 **THE COURT:** Okay. As to identification,
5 Mr. Cogdell, is there any need for an identification hearing
6 in regard to this case?

7 **MR. COGDELL:** There is not.

8 **THE COURT:** All right. Ms. Holt, if I don't hear
9 any witnesses on the question of identification, then I'm
10 going to assume that you're the one that Dallas is looking
11 for and I'm going to order you to go there to stand trial.

12 Is that clear to you?

13 **THE DEFENDANT:** Yes, ma'am.

14 **THE COURT:** Okay. Please understand that if you
15 give up your right to an identification hearing, all you're
16 giving up is the right to complain that the proper person
17 was sent to Dallas to face the charges. You still have the
18 right to fight tooth and nail about whether this accusation
19 is true or not.

20 Is that clear?

21 **THE DEFENDANT:** Yes, ma'am.

22 **THE COURT:** All right. Did anyone promise you
23 something so you'd give up your right to an identification
24 hearing in Houston?

25 **THE DEFENDANT:** No, ma'am.

1 **THE COURT:** We're you threatened in any way so
2 that you would do that?

3 **THE DEFENDANT:** No, ma'am.

4 **THE COURT:** Any reason, Mr. Cogdell, I shouldn't
5 accept the waiver of the identification hearing as a knowing
6 and voluntary action on Ms. Holt's part?

7 **MR. COGDELL:** There is not, Your Honor.

8 **THE COURT:** All right. Then I find that you are
9 the Laura Pendergest-Holt who's wanted in connection with
10 this case in Dallas which has the number -- it doesn't have
11 a number.

12 **MR. COGDELL:** 3:09-MJ-56 is what I've got,
13 Your Honor.

14 **THE COURT:** 56? Okay, 3:09-56. It's the lucky
15 ones.

16 **(Laughter)**

17 Honestly. All right. Any question about
18 that, Ms. Holt?

19 **THE DEFENDANT:** No, ma'am.

20 **THE COURT:** All right. As to the question of
21 probable cause, as I said, you have the right to have a
22 hearing on whether there's probable cause to believe that
23 you violated the law or not. You can have that hearing in
24 Houston or in Dallas or give up your right to the hearing at
25 all.

1 Mr. Cogdell, what has Ms. Holt decided in
2 regard to the necessity for a probable cause hearing?

3 **MR. COGDELL:** There is none, Your Honor.

4 **THE COURT:** Ms. Holt, if I don't listen to
5 witnesses to convince me that there's a reason to believe
6 that the law was broken in this regard, then I will find
7 that there is probable cause and I will order you to go to
8 Dallas to face these charges on this criminal complaint.

9 Do you understand that?

10 **THE DEFENDANT:** Yes, ma'am.

11 **THE COURT:** Did anyone promise you something in
12 exchange for a waiver of the right to a probable cause
13 hearing?

14 **THE DEFENDANT:** No, ma'am.

15 **THE COURT:** Were you threatened in any way so
16 that you would give me that answer?

17 **THE DEFENDANT:** No, ma'am.

18 **THE COURT:** All right. Mr. Cogdell, any reason
19 that I shouldn't accept the waiver for probable cause
20 hearing as a knowing and voluntary action on Ms. Holt's
21 part?

22 **MR. COGDELL:** There is not, Your Honor.

23 **THE COURT:** Ms. Holt, after looking at the
24 criminal complaint, the affidavit, and listening to what you
25 and your lawyer have said here this morning, I find that you

1 know that you have the right for a probable cause hearing
2 but that you're voluntarily waiving that right.

3 **THE DEFENDANT:** Yes, ma'am.

4 **THE COURT:** I find that there's probable cause,
5 that is, some reason to believe, that you broke the law in
6 regard to 18, United States Code, Section 1505.

7 With that finding then, you need to go to
8 Dallas to face these charges. I anticipate that in Dallas,
9 within the next month, this case will be presented to a
10 grand jury. If the Grand Jury believes also that there's a
11 reason to believe that the law was broken, they'll return a
12 true bill of indictment. It'll be brought back to court so
13 you can plead not guilty to the charge and a trial date will
14 be assigned to you.

15 **THE DEFENDANT:** Okay.

16 **THE COURT:** Do you have any questions about
17 what's happened so far?

18 **THE DEFENDANT:** No, ma'am.

19 **THE COURT:** Now, Ms. Holt, in Federal Court, the
20 Judge decides whether someone should get a bond or whether
21 there's a reason that somebody should stay in jail even
22 before their trial takes place.

23 **THE DEFENDANT:** Yes, ma'am.

24 **THE COURT:** Mr. Pelletier, I take it that the
25 Government is not suggesting that Ms. Holt should stay in

1 jail before trial; is that correct?

2 **MR. PELLETIER:** That is correct, Your Honor.

3 **THE COURT:** Ms. Holt, I have before me some
4 information about you from the Pretrial Services Agency
5 including a recommendation as to your certain conditions of
6 release.

7 **THE DEFENDANT:** Yes, ma'am.

8 **THE COURT:** Those conditions of release are Court
9 orders that you must follow while your case is being
10 prepared for trial.

11 **THE DEFENDANT:** Yes, ma'am.

12 **THE COURT:** If you don't follow the Court orders,
13 your bond could be revoked and you could end up sitting in
14 custody awaiting trial in this matter.

15 **THE DEFENDANT:** Yes, ma'am.

16 **THE COURT:** Now, let me here you as to the
17 conditions of release. The first condition that is
18 suggested by Pretrial is an unsecured bond.

19 Mr. Pelletier, I take it there's some
20 disagreement in that regard?

21 **MR. PELLETIER:** There is, Your Honor.

22 **THE COURT:** And what is that disagreement?

23 **MR. PELLETIER:** The disagreement is is that in
24 this case there are unique facts which establish that this
25 defendant should be held or asked to pay a bond of

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19

1 \$1 million surety or \$1 million cash.

2 As further restrictions, including
3 electronic monitoring.

4 **THE COURT:** And why should there be \$1 million in
5 cash or security?

6 **MR. PELLETIER:** May I make my presentation?

7 **THE COURT:** Well, let me hear from witnesses if
8 you're going to suggest that we need a million dollar bond.

9 Do you have some witnesses?

10 **MR. PELLETIER:** I have the FBI agent, whose name
11 is Vanessa Walther.

12 **THE COURT:** All right. Go ahead and have a seat.

13 **MR. COGDELL:** Yes, ma'am.

14 **(Pause/Defendant signs document)**

15 **(Witness Sworn)**

16 **MR. PELLETIER:** May I begin, Your Honor?

17 **THE COURT:** Sure.

18 **DIRECT EXAMINATION OF AGENT VANESSA WALTHER**

19 **BY MR. PELLETIER:**

20 Q Would you please state your name and spell your full
21 name for the record?

22 A Yes, it's Vanessa Walther, V-a-n-e-s-s-a,
23 W-a-l-t-h-e-r.

24 Q And how are you presently employed?

25 A I'm a special agent with the FBI.

AGENT VANESSA WALTHER -- DIRECT BY MR. PELLETIER

20

1 Q And have you been assigned to investigate this matter?

2 A Yes, sir, I have.

3 Q And have you been investigating both fraud charges and
4 obstruction charges as it relates to Ms. Pendergest-Holt?

5 A Yes, sir, I have.

6 Q And I call your attention, if you would, please -- do
7 you have a copy of the affidavit and complaint before you?

8 A I have a copy of the affidavit, yes, sir.

9 Q I'm going to call your attention to -- by the way,
10 have you reviewed various emails as it relates to
11 Ms. Pendergest's involvement in prepping for her SEC
12 testimony?

13 A Yes, sir, I have.

14 Q I'm going to call your attention to Paragraph 17 of
15 the affidavit that you prepared.

16 Is this your affidavit?

17 A Yes, sir, it is.

18 Q All right. And I'm going to ask you, if you could, to
19 read for the record Paragraph 17, which was an email from an
20 attorney to both Ms. Pendergest-Holt and SIB, or Stanford
21 International Bank, Affiliate President.

22 A "On January 27th, 2009, attorney A sent an email to
23 SIB Affiliate President and Pendergest-Holt stating
24 that they should be able to provide the SEC with,
25 'Positive proof that investor funds are invested as

1 and where we say they are. We need to account for the
2 full amount stated in the financial statements related
3 to the CDs. For example, if we say there is
4 8.2 billion attributed to the credit default swap, we
5 have to account for the full 8.2 billion. The SEC's
6 staff told me they are not interested in the full
7 50 or 60 billion under advisement, just the
8 8.2 billion attributable to the CDs. You will need to
9 address all three tiers, not just Tier I and
10 Tier II.'"

11 Q Have you reviewed the SEC testimony that is referred
12 to in Paragraph 17 of the affidavit?

13 A Yes, I reviewed the email that was referred to in
14 Paragraph 17.

15 Q Yeah. And have you reviewed the SEC testimony?

16 A Yes, sir, I have.

17 Q And did, indeed, Ms. Pendergest-Holt in her SEC
18 testimony on February 12th -- 10th, 2009 reveal where that
19 \$8.2 billion was?

20 A No, sir.

21 Q I'm going to show you what I will ask the Court to
22 mark as "Government's Exhibit" -- for purposes of this
23 hearing, "Exhibit 1," which is the passport -- which is a
24 copy of a passport of Ms. Pendergest-Holt.

25 **(Voices off the record)**

1 **MR. PELLETIER:** May I, Your Honor?

2 **THE COURT:** Yes, you may.

3 **BY MR. PELLETIER:**

4 Q You have the original before you?

5 A Yes, sir.

6 Q Okay. Could you tell us please where -- less than a
7 little more than a day after this email where
8 Ms. Pendergest-Holt traveled to, specifically on
9 January 29th, 2009?

10 A She traveled to Antigua and Barbuda.

11 Q And do you have the understanding as to the
12 relationship between Antigua, Barbuda, and
13 Stanford International Bank?

14 A Yes. Stanford International Bank is located on the
15 Island of Antigua.

16 Q And are there any other principals of the
17 Stanford International Bank that either reside or travel to
18 Antigua?

19 A Yes, sir. SIB Affiliate President resides in Antigua.

20 Q All right. And any other principals of
21 Stanford International Bank reside or live in Antigua?

22 A Reside or live there?

23 Q Yes.

24 A Not that I'm aware of.

25 Q Do you know who Mr. Stanford -- Robert Allen Stanford?

AGENT VANESSA WALTHER -- DIRECT BY MR. PELLETIER

23

1 A Yes, sir, I know who he is.

2 Q All right. And do you know whether or not he has a
3 residence there or a living quarters there?

4 A Yes. It's my understanding he does have a place to
5 stay there.

6 Q And have you had an occasion to review the passport of
7 Mr. Davis?

8 Who is Mr. Davis?

9 A Mr. Davis is the CFO of Stanford Financial.

10 Q And is that James Davis?

11 A Yes, sir, it is.

12 Q All right. And have you reviewed his passport as
13 well?

14 A Yes, sir, I have.

15 Q And is there travel to Antigua as well in that
16 passport?

17 A Yes, sir, there is.

18 Q All right. Are you aware then, also, of any anything
19 as a result of -- did you interview witnesses in this case?

20 A Yes, sir, I did.

21 Q Did you interview witnesses that were present at
22 a meeting in Miami during the week of February 2nd
23 through 5th, 2009?

24 A Yes, sir.

25 Q And were those -- did those witnesses tell you what

1 occurred at those meetings?

2 A Yes, sir, they did.

3 Q Was Ms. Pendergest-Holt there?

4 A Yes. She was president -- present beginning on
5 February 3rd.

6 Q And could you tell the Court, generally, what was
7 discussed and what the purpose of these meetings were as
8 revealed to you by the participants?

9 And how many participants did you speak
10 with?

11 A I spoke with three participants.

12 Q And could you tell the Court, please, what generally
13 the purpose of that meeting was as revealed to you by the
14 three participants?

15 A Initially, the purpose of the meeting was to view a
16 presentation prepared by Ms. Holt and critique that
17 presentation and ask questions similar to what they thought
18 the SEC would be asking.

19 Q And did, in fact, Ms. Holt, according to the
20 witnesses, prepare such a presentation?

21 A Yes, she did.

22 Q And what did that -- generally, what did that
23 presentation involve?

24 A It involved different things involving the Stanford
25 investment model, items about the research group, the

1 different types of investments being made in Tier II of the
2 investment portfolio.

3 Q And, ultimately, was some sort of pie chart created by
4 with -- by Ms. Pendergest-Holt?

5 A During those meetings, yes, there was a pie chart that
6 she participated in creating that was flashed up on the
7 screen in the room.

8 Q Okay. And tell the -- tell us please, if you would,
9 what, in fact, that -- your understanding is of what was
10 presented in that pie chart that was presented at the
11 meetings in Miami?

12 A The pie chart was a representation of what was held in
13 Tier III of the SIB, Stanford International Bank, portfolio.

14 Q And did the witnesses observe Ms. Pendergest-Holt and
15 others creating this pie chart?

16 A Yes, they did.

17 Q And did the witnesses tell you where the information
18 was that was derived to create the information to create the
19 pie chart with respect to the Tier III investments?

20 A Yes. They believed it was on a thumb drive or flash
21 drive belonging to Mr. James Davis.

22 Q And was that thumb drive or flash drive in Ms. Holt's
23 possession during the course of the presentations?

24 A That thumb drive was in the computer on which Ms. Holt
25 was working to prepare the presentation.

1 Q And when you say "Tier III assets," would you tell the
2 Court please what you're talking about as it relates to
3 Stanford International Bank?

4 A The Bank apparently has three tiers of assets that
5 they hold:

6 Tier I is cash and cash equivalents;

7 Tier II is a portion of the portfolio
8 managed by 20-plus money managers around the world;

9 And then, Tier III is an unknown portion of
10 money.

11 Q And what is the percentage of Stanford -- your
12 understanding from those presentations, from speaking with
13 the witnesses and reviewing documents in your case, what
14 was the -- represented as being the percentage of
15 Stanford International Bank's assets that were held within
16 Tier III?

17 A Within Tier III, it was approximately 80 percent of
18 the assets.

19 Q And that would be how much in dollars approximately?
20 Sorry to do that to you.

21 A About \$6 billion.

22 Q And could you tell the Court please, if you would
23 please, what the reaction -- what the pie chart was meant to
24 depict or show, what it actually depicted or showed as it
25 was related to you by these three individuals?

1 A There was approximately \$3.2 billion that was real
2 estate assets. And there was \$1.6 billion that was labeled
3 as "Loan to Shareholder." The other portions of the assets
4 were various things including, I believe, some ownership
5 interests in the Washington capitals.

6 Q So 1.6 billion was "Loan to Shareholder"?

7 A Yes, sir.

8 Q And who is the primary shareholder, as you
9 understood it, in -- primary or only shareholder in
10 Stanford International Bank?

11 A The sole proprietor and shareholder is
12 Robert Allen Stanford.

13 Q And in the other portfolio -- what you said is
14 approximately 3 billion --

15 A Three or \$3.2 billion.

16 Q And that was listed as "Real Estate"?

17 A "Real estate."

18 Q All right. And was there a further discussion that
19 was revealed to you, as it related to "real estate," that
20 real estate or equity infusions into that that was described
21 at that meeting?

22 A There was a capital infusion into Stanford of
23 \$541 million.

24 And during those meetings in Miami, it was
25 learned --

1 Q When you say there was a capital fusion, from what are
2 you obtaining that information?

3 A I believe it was a newsletter that Stanford
4 actually -- that Stanford Financial Group put out.

5 Q And approximately when, if you know?

6 A I'm thinking December, 2008. It was late 2008.

7 Q And what did that newsletter, to the best of your
8 recollection, state as it related to capital infusion?

9 A That it was \$541 million capital infusion.

10 Q And was that capital infusion discussed at this
11 meeting in Miami, as represented by the three cooperating
12 witnesses?

13 A Yes, sir, it was.

14 Q And was Ms. Pendergest there when that was discussed?

15 A Yes, sir, she was.

16 Q And what was discussed about that capital infusion, if
17 you can tell us?

18 A The capital infusion was apparently described as two
19 pieces of real estate that were already owned by the Bank.

20 Q And was that capital infusion discussed in terms of
21 what the value of those two pieces of real estate was,
22 approximately?

23 A Yes, sir, it was approximately 17 million for one
24 piece, and 48 million for another piece.

25 Q So -- and whatever the math is on that, approximately

AGENT VANESSA WALTHER -- DIRECT BY MR. PELLETIER

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1 67 million, if I'm correct, was supposed to be the
2 representation of what the \$541 billion capital --
3 \$541 million capital infusion; is that what you're saying?

4 A Yes, sir.

5 Q All right. And what was the reaction, as related at
6 this meeting by witnesses that were at this meeting, to that
7 announcement?

8 A Witnesses were surprised that those two pieces of real
9 estate were considered "capital infusion" because they were
10 already owned by the Bank, and the value of that real estate
11 did not equal \$541 million.

12 Q And as it related to the \$3 billion in real estate and
13 the 1.6 billion -- the revelation of that from information
14 derived from the thumb drive that was on the computer that
15 Ms. Pendergest-Holt was using, was there a reaction to that
16 information -- the 1.6 or \$8 million loan to shareholder,
17 and \$3 billion real estate, was there a reaction to that,
18 that was described to you --

19 **THE COURT:** Whoa.

20 **MR. PELLETIER:** I'm going to do that again.

21 **THE COURT:** Would you please?

22 **MR. PELLETIER:** I will.

23 **THE COURT:** And maybe put it -- not be so leading
24 so I can hear what the witness has to say about it.

25 **MR. PELLETIER:** Okay. You described the

AGENT VANESSA WALTHER -- DIRECT BY MR. PELLETIER

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1 3 billion -- the pie chart which included \$3 billion in real
2 estate that was depicted --

3 THE WITNESS: Yes, sir.

4 MR. PELLETIER: -- at the meeting in Miami.

5 THE WITNESS: Yes, sir.

6 MR. PELLETIER: And the \$1.6 billion in loan to
7 shareholder.

8 THE WITNESS: Yes.

9 BY MR. PELLETIER:

10 Q Did you talk to the witnesses as to whether or not
11 they had a reaction to that? And when I say, "The
12 witnesses," I'm talking about the three cooperating
13 witnesses that you spoke to.

14 A Yes, sir, I did.

15 Q And was there a reaction to that at the meeting?

16 A Yes, sir, there was.

17 Q And was that reaction expressed to the individuals
18 present at that meeting?

19 A Yes, sir, it was.

20 Q And was Ms. Pendergest-Holt at that meeting?

21 A Yes, sir.

22 Q And tell -- if you would, tell the Court, please, what
23 was described as the reaction if you can?

24 A The witnesses described their feelings as being
25 shocked, feelings as if they'd been kicked in the stomach.

1 Q And did any of them describe any reaction by
2 Ms. Pendergest-Holt that was like their reaction?

3 A No, sir. They said she seemed not to be surprised.

4 Q And if you would, please, were there any statements
5 made by the witnesses as it related to what they were
6 observing in the pie chart and what they understood the
7 CD investment portfolio consisted of?

8 A There was a statement by SIB Affiliate President that
9 the witnesses told me about.

10 Q And what was that?

11 A That if that were true, the Bank was insolvent and
12 that the representations made to investors by him were
13 false.

14 Q And are you aware then that -- whether or not
15 Ms. Pendergest-Holt appeared for testimony before the SEC on
16 February 10th?

17 A Yes, sir, she did.

18 Q And with respect to the information you told us today
19 about her presentation of the pie chart, her possession of
20 the thumb drive which contained the information from which
21 she created the pie chart, was that revealed to the SEC in
22 the testimony?

23 A Nothing about the meetings in Miami was revealed to
24 the SEC.

25 Q Was she asked about preparatory meetings?

1 A Yes, sir, she was.

2 Q And were there subpoena duces tecum, subpoenas for
3 records, also issued by the SEC to Stanford Financial Group?

4 A Yes, sir, there was.

5 Q And did Ms. Pendergest or anyone before the SEC tender
6 the thumb drive that contained the information from which
7 Ms. Pendergest-Holt divined the pie chart?

8 A No, sir.

9 Q Are you aware of a meeting which Ms. Pendergest-Holt
10 had yesterday with the Receiver?

11 A Yes, sir, I am.

12 Q And have you spoken to the Receiver about that
13 meeting?

14 A Yes, sir.

15 Q And did Ms. Pendergest-Holt have unique access to
16 anything that she documented yesterday?

17 A Yes, sir, she had signatory authority on accounts.

18 Q Okay. And did she, at the request of the Receiver
19 yesterday, sign a document with respect to a Credit Suisse
20 account?

21 A Yes, sir, she did.

22 Q And did Ms. Pendergest-Holt have signatory authority,
23 as you understood it from your discussions with the
24 Receiver, over that Credit Suisse account?

25 A Yes, sir, she did.

1 Q And approximately -- what is your understanding of
2 what the approximately balance is on that Credit Suisse
3 account?

4 A One hundred and sixty million dollars.

5 Q Do you know what Ms. Pendergest's salary was and bonus
6 structure was at the Stanford International Bank or
7 Stanford Financial Group during the years 2007 and 2008?

8 A Yes, sir.

9 Q Would you tell the Court, please, what her base pay
10 was and what her bonuses were for those years?

11 A Her base pay in 2007 was \$350,000. Her base pay in
12 2008 was \$375,000. Her bonuses each year were over
13 \$700,000. I don't have the exact numbers in front of me.

14 Q Is it your understanding also that
15 Ms. Pendergest-Holt -- and the reason why I'm asking this
16 is: I don't see these properties listed as "assets" in the
17 pretrial services report -- is there a property in Baldwyn,
18 Mississippi that is owned by Ms. Pendergest?

19 A Yes, sir, there is.

20 Q Do you have any estimation or any knowledge of any
21 value of that property?

22 A I would have to look at our reports. I believe it was
23 right around \$200,000, maybe slightly less.

24 Q And is it your understanding also that -- I understand
25 that the pretrial services report reflects a lot in

AGENT VANESSA WALTHER -- DIRECT BY MR. PELLETIER

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1 North Carolina to which Ms. Pendergest-Holt is paying
2 approximately \$7500 a month in mortgage or interest
3 payments.

4 Are you also aware of a property that is
5 owned by Ms. Pendergest-Holt and/or a husband which includes
6 a residence in North Carolina, as well?

7 **MR. COGDELL:** Objection. Compound, Your Honor.

8 **THE COURT:** Yeah. Clarify that, if you would,
9 for me, Mr. Pelletier.

10 **MR. PELLETIER:** Yeah.

11 **BY MR. PELLETIER:**

12 Q Do you have any knowledge of the ownership structure
13 or how it was acquired?

14 A It appears that there's two properties in
15 North Carolina:

16 One looks to be a lot, which was purchased
17 with a loan amount of \$250,000;

18 And then there is a residence with a
19 purchase price of \$2 million.

20 Q Do you know approximately when that was acquired?

21 A I believe it was 2007 but I would have to look at the
22 records again.

23 Q And do you know what the ownership structure is for
24 that residence in Bloomington, North Carolina?

25 A Yes. It is Ms. Holt and her husband.

AGENT VANESSA WALTHER -- DIRECT BY MR. PELLETIER

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1 Q Have you, in your investigation or in your meetings
2 with the SEC, been able to locate the \$6 billion that was
3 indicated in the pie chart as part and parcel of the -- or a
4 little bit less than 6 billion -- part and parcel of
5 Tier III; have you been able to locate a single dollar of
6 those funds?

7 A There have been funds located by the Receiver, yes.

8 Q And do you know approximately how much the Receiver
9 has located as of this time?

10 A Ninety million dollars, but that does not include the
11 potential 160 million at Credit Suisse.

12 Q And have you -- you have Ms. Pendergest-Holt's
13 passport before you?

14 A Yes, sir, I do.

15 Q And you have her statements to Pretrial -- or she has
16 told Pretrial Services that she has traveled to Switzerland
17 and London, Mexico, Columbia, and Venezuela.

18 Are there any entries, as of 2007, that you
19 can see -- and the passport, I think, was issued in May of
20 2007 -- are there any entries into Switzerland?

21 **MR. PELLETIER:** Having reviewed it, Your Honor, I
22 believe the answer is "No" but --

23 **THE WITNESS:** I was going to say I don't see
24 anything to Switzerland on this passport. No, sir, I don't
25 see anything showing a stamp with Switzerland.

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 **BY MR. PELLETIER:**

2 Q Now, as it relates to Ms. Pendergest-Holt's appearance
3 at Stanford offices in Houston, yesterday --

4 A Yes, sir.

5 Q -- are you aware of whether or not the Receiver had
6 to do anything in particular to obtain her presence there?

7 A He promised her an advance on her salary of \$10,000.

8 **MR. PELLETIER:** May I have one moment,
9 Your Honor.

10 **THE COURT:** Yeah.

11 **MR. PELLETIER:** Your Honor, that would be the --
12 the Government has no further questions at this time of this
13 witness.

14 **THE COURT:** All right.

15 **MR. COGDELL:** May I proceed, Your Honor?

16 **THE COURT:** Yes, you may.

17 **CROSS EXAMINATION OF AGENT VANESSA WALTHER**

18 **BY MR. COGDELL:**

19 Q Special Agent, may I address with how long you have
20 been a special agent for the FBI?

21 A Since 1995.

22 Q And in those 13 or 14 -- 14 or 15 years, whatever it
23 is, have you ever seen a stamp on a passport from
24 Switzerland?

25 A No, sir, I haven't.

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 Q Because they don't stamp your passport when you go to
2 Switzerland, do they?

3 A I'm not -- I don't know that.

4 Q Well, if they don't stamp your passport when you go to
5 Switzerland, that would probably explain why there's no
6 stamp there, correct?

7 A Yes, sir, it would.

8 Q How many passports, Special Agent, have you reviewed
9 in your 15 years?

10 A A handful of passports.

11 Q Okay. And -- I mean, we're talking 5, 10, 20, 50, how
12 many? A "handful" to you may be different than a handful
13 to me.

14 A Less than a dozen.

15 Q And in any of those, have you ever seen a Swiss stamp?

16 A No, sir.

17 Q This \$10,000 that Counsel referred to you that they
18 had to promise Ms. Pendergest-Holt to get your -- get her
19 here to Houston, would you agree with me there was a reason
20 that the SEC agreed to give her the \$10,000?

21 A I'm sorry, would you repeat that question?

22 Q Sure. Would you agree with me that there was a
23 necessary reason that the SEC Receiver -- the Receiver in
24 this case, Mr. Janvey -- gave to Ms. Holt's SEC lawyer
25 \$10,000?

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 A I understand that she needed expenses for travel pay.

2 Q Her money's frozen. She doesn't have any accessible
3 funds to be playing with; agree with me on that?

4 A Yes, sir, I believe all of her assets are frozen.

5 Q So the only way she could get here is if the SEC
6 agreed to pay for her and they did, right?

7 A The Receiver agreed to, yes, sir.

8 Q Let's back up.

9 What is your definition, ma'am, of "a
10 cooperating witness"?

11 **MR. PELLETIER:** Objection. Relevance.

12 **THE COURT:** What's the relevance?

13 **MR. COGDELL:** Well, she's referred to and he's
14 referred to "Coopering Witness One, Cooperating Witness Two,
15 Cooperating Witness Three," I just want to see what in her
16 mind constitutes "a cooperating witness" because I think she
17 is a cooperating witness.

18 **MR. PELLETIER:** Objection, Your Honor.

19 **THE COURT:** Well, she's under a criminal
20 complaint alleging an obstruction of justice charge, so
21 let's just move on. It doesn't really matter what the
22 witness thinks "a cooperating witness is."

23 **MR. COGDELL:** Okay.

24 **BY MR. COGDELL:**

25 Q Would you agree with me, Special Agent, that Ms. Holt

1 has met with the SEC over and over and over and over again,
2 right?

3 A I know that she's met with them at least three times.

4 Q Okay. She did that voluntarily, correct?

5 A Yes, sir.

6 Q There was no warrant for her, right?

7 A No, sir.

8 Q No threats put on her, correct.

9 A There was the pending action that the SEC has but --

10 Q Okay. Other than the civil action.

11 A Yes, sir.

12 Q And there were no threats against her.

13 A No, sir.

14 Q Okay. The first time that you were aware,
15 Special Agent, that Ms. Holt met with the SEC was
16 February 10th; is that correct?

17 A Yes, sir, that's when she had her testimony before the
18 SEC.

19 Q And where was that?

20 A In Fort Worth, Texas.

21 Q Did she have a lawyer there?

22 A There was a lawyer present, yes, sir.

23 Q And her lawyer's name was -- what "the" lawyer's name
24 was?

25 A Thomas Sjoblom.

1 Q And I'm going to spell it, as it's S-j-o-b-l-o-m,
2 correct?

3 A Yes, sir.

4 Q And your investigation reveals that he's a former SEC
5 lawyer, right?

6 A I believe so, yes, sir.

7 Q He was with the SEC for a couple of -- for some
8 20 years, correct?

9 A I don't know how long he was with the SEC.

10 Q You believe him to be an experienced SEC lawyer,
11 right?

12 A I can't comment on his experience, no, sir.

13 Q Okay. Do you know whether or not Mr. Sjoblom -- he's
14 from D.C. as far as you understand?

15 A Yes, sir, he is.

16 Q Do you know whether or not he's licensed to practice
17 law in the State of Texas?

18 A No, sir, I don't know that.

19 Q Do you know whether or not he's licensed to practice
20 law in the Southern District in Federal Court?

21 A No, sir, I don't know that either.

22 Q Do you know whether or not he's licensed to practice
23 in the Northern District where Fort Worth is?

24 A No, sir, I don't know.

25 Q Have you looked at his website or his firm's website

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 to determine whether or not he's even licensed to practice
2 law in the State or the Federal District here?

3 A No, sir, I haven't looked at his website.

4 Q Would it come as a surprise to you if I suggested that
5 he is not licensed to practice in the Southern District or
6 the Northern District or the State of Texas?

7 **MR. PELLETIER:** Objection, Your Honor.

8 **THE COURT:** Based on?

9 **MR. PELLETIER:** Whether something is surprising
10 to her is -- I don't know who's testifying here. Whether
11 it's surprising to her is irrelevant.

12 **THE COURT:** True. Sustained.

13 **MR. COGDELL:** Okay, fair enough.

14 **BY MS. COGDELL:**

15 Q How long was this meeting on February 10th?

16 A I don't know the exact time, but I believe it was
17 several hours.

18 Q And as far as you know, did Ms. Holt answer every
19 single question asked of her?

20 A She gave an answer to every question, yes, sir.

21 Q Okay. Did she ever refuse to answer a question?

22 A No, sir.

23 Q Did she ever invoke her right to Counsel?

24 A No, sir.

25 Q Did she ever terminate the inquiry on that day?

1 A No, sir.

2 Q Were there "off the record" meetings with Ms. Holt and
3 Mr. Sjoblom with the SEC in the following days?

4 A I'm sorry, would you repeat that?

5 Q Were there other meetings that Ms. Holt had, where
6 Mr. Sjoblom was present, with the SEC in the days following
7 February 10?

8 A No, sir, not that I'm aware of.

9 Q Okay. Now, to your knowledge, has she ever retained a
10 lawyer before; she ever been sued, if you know?

11 A I don't know.

12 Q Okay. Do you know anything about any experience she
13 has, if any, in terms of lawyers?

14 A No, sir. Only the lawyers representing
15 Stanford Financial Group.

16 Q Okay. And to be clear, Mr. Sjoblom, if you read
17 the transcript, he was representing the interest of
18 Stanford Financial Group, correct?

19 A I don't recall him stating that in the record, but I
20 do know that he did tell the Group in Miami that he
21 represented the company.

22 Q Okay. Now, he was hired -- Sjoblom was hired by
23 Stanford Financial Group, right, as far as you know?

24 A As far as know, yes, sir.

25 Q And who owns Stanford Financial Group?

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 A Robert Allen Stanford.

2 Q So Robert Allen Stanford is the sole owner of
3 Stanford Financial Group?

4 A Yes, sir, he is.

5 Q So if the funds to Mr. Sjoblom came from
6 Stanford Financial Group, in essence, they'd be coming from
7 Robert Allen Stanford, right?

8 A I assume so, yes, sir. And the Board of Directors.

9 Q Okay. I'm jumping around a bit and I apologize but
10 Stanford has been charged or arrested, correct?

11 A Correct.

12 Q Jim Davis has not been charged or arrested, correct?

13 A Yes, sir.

14 Q Mr. Stanford is reportedly a man to be worth several
15 billion?

16 A He claims that, yes.

17 Q Well -- so did Fortune and Forbes and a bunch of
18 different magazines, right?

19 A Forbes did, yes.

20 Q So that you and I are talking about the same fellow --
21 **(Pause/voices off the record)**

22 May I approach, Your Honor?

23 **THE COURT:** You may.

24 **BY MR. COGDELL:**

25 Q I'm going to show you, Special Agent, what I've had

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 caused to be marked as "Defense Exhibit 1" and "2," and ask
2 you if you recognize the center individual here in the
3 Defendant's Exhibit 1 and the only individual here in
4 Defendant's Exhibit 2?

5 A Yes, sir, I do.

6 Q Do they appear to be a fair and accurate photograph of
7 Robert Allen Stanford who is the owner of Stanford Financial
8 Group, and Jim Davis who I guess is the Number Two man at
9 Stanford Financial Group?

10 **MR. PELLETIER:** Your Honor, could I just take a
11 look at what he's showing this witness?

12 **THE COURT:** Sure.

13 **(Voice off the record)**

14 **THE WITNESS:** In Exhibit 1, yes, the center
15 individual is Robert Allen Stanford.

16 **BY MR. COGDELL:**

17 Q And Mr. Davis?

18 A Exhibit 2, he's much grayer than the last picture that
19 I saw but that appears to be him.

20 Q Okay.

21 **MR. COGDELL:** I tender Defense Exhibit 1 and 2 to
22 Counsel and offer the same into evidence, Your Honor.

23 **MR. PELLETIER:** No objection.

24 **THE COURT:** They'll be admitted. Defense 1 and 2
25 will be admitted.

1 **(Defendant's Exhibit Numbers 1 and 2 were admitted**
2 **into evidence)**

3 **MR. COGDELL:** How long do you want to work,
4 Judge? I think we've got --

5 **THE COURT:** Well, I have a meeting at noon.

6 **MR. COGDELL:** Okay.

7 **THE COURT:** So shut down around 10 of for sure.

8 **MR. COGDELL:** Fine.

9 **(Pause/Courts speaks to other counsel in the**
10 **courtroom)**

11 **BY MR. COGDELL:**

12 Q Now, at some point, are you aware that Mr. Sjoblom
13 filed what is called "a noisy withdrawal"; ever heard that
14 term before?

15 A I've never heard that term, but I'm aware that he
16 withdrew.

17 Q And do you know the basis of his supposed withdrawal?

18 A No, sir, but I know generally what he stated in his
19 withdrawal.

20 Q Now, he also, as far as you know, appeared in meetings
21 not only where Ms. Holt was present but Mr. Stanford was
22 present, and Mr. Davis was present, and Mauricio Alvarado
23 was present, correct?

24 A Yes, sir.

25 Q And for the record, Mauricio Alvarado is the general

1 counsel to Stanford Financial?

2 A Yes, sir, he is.

3 Q And in terms of the complaint, is Mauricio Alvarado --
4 is he the Cooperating Witness Number One?

5 **MR. PELLETIER:** Objection, Your Honor.

6 **THE COURT:** Sustained.

7 **MR. COGDELL:** Okay.

8 **BY MR. COGDELL:**

9 Q Is he described at all in the complaint, Alvarado?

10 A Yes, sir, he is.

11 Q Okay. Now, in terms of their wealth, would you agree
12 with me that, by far and away, Stanford is purportedly the
13 wealthiest fellow there at Stanford Financial?

14 A I would say that Mr. Davis, Mr. Stanford, and Ms. Holt
15 are the ones who had access to the most money, yes.

16 Q Okay. I'll try again.

17 In terms of their wealth -- not asking
18 you -- we'll get there, but I'm not asking you about access
19 to funds. I'm talking to you now, ma'am, in terms of their
20 personal wealth.

21 Who was the wealthiest?

22 **MR. PELLETIER:** Objection, Your Honor.

23 Could we define what he means by "personal
24 wealth"?

25 **MR. COGDELL:** What he is purportedly worth.

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 **THE WITNESS:** I know what Forbes Magazine --

2 **MR. COGDELL:** Okay. What did that say?

3 **THE WITNESS:** -- reported that he was worth.

4 **BY MR. COGDELL:**

5 Q I stepped on you, I apologize.

6 What did Forbes put him at?

7 A I believe it was 2.2 billion, right around 2 billion.

8 Q And Mr. Davis, do you have an estimate, Special Agent,
9 as to his worth, what he is worth?

10 A No, sir, I don't.

11 Q Would you agree with me it would likely be in the tens
12 of millions of dollars?

13 A He appears to have significant wealth.

14 Q Okay. Again, "significant wealth," we're talking
15 millions and millions and millions.

16 **MR. PELLETIER:** Objection, Your Honor.

17 **THE COURT:** Well, that'd be overruled. She's
18 answered it sufficiently, Mr. Cogdell.

19 **BY MR. COGDELL:**

20 Q Okay. You talked about Ms. Holt's annual salary; can
21 you favor us, ma'am, with the approximate annual salary of
22 Robert Allen Stanford?

23 A No, sir, I don't know that.

24 Q Would you agree with me that Mr. Stanford has
25 ostensibly homes all over the world?

1 A Yes, sir, he does.

2 Q Castles?

3 A One of his residences was described as that.

4 Q He's got at least two G-4 aircraft?

5 A Yes, he has aircraft.

6 Q And a G-4 aircraft, to the aircraft uninitiated,
7 that's a large plane worth tens of millions of dollars.

8 A Yes, sir.

9 Q He has not one of those but two of those, right?

10 A I'm not sure of the exact number, but he has more than
11 one aircraft.

12 Q Okay. And he has other airplanes as well, Hawkers and
13 Expresses, substantial holdings in aircraft, right?

14 A Yes, sir.

15 Q He has houses in Antigua?

16 A Yes, sir.

17 Q He has houses where else?

18 A St. Croix, Florida, here in Houston.

19 Q Have you tried to add up the easily-captureable assets
20 in terms of planes and homes and real estate holdings owned
21 by Mr. Stanford?

22 A I don't have a number for that, but it is in the
23 millions.

24 Q Okay. The TRO in this case was entered on
25 February 16th; is that right?

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 A Yes, sir, it was signed by the Judge that Monday.

2 Q And the raid at Stanford happened the following day,
3 February 17th, right?

4 A The Receiver took over on the 17th.

5 Q "The Receiver took over"; is that a nice way of
6 saying, when all those people come and sheet everything down
7 that that's when the Receiver took over?

8 **MR. PELLETIER:** Objection, Your Honor, as to what
9 a "nice way" of saying --

10 **THE COURT:** Sustained.

11 **BY MR. COGDELL:**

12 Q Okay. On the 20th of February, three days after the
13 Receiver took over, Special Agent, are you aware that once
14 again Ms. Holt voluntarily came to Houston and met with the
15 Receiver?

16 A If that was last Friday, yes, she was here meeting with
17 the Receiver.

18 Q I think that was Friday.

19 A I think so.

20 Q And how many hours did she spend with the Receiver on
21 that day, if you know?

22 A I don't know. I know she flew in that day and flew out
23 that day.

24 Q Okay. And was she accompanied by a different lawyer
25 than Mr. Sjoblom?

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 A It's my understanding she was, yes, sir.

2 Q And the different lawyer -- if I could have him stand
3 up.

4 MR. COGDELL: Mr. Baker, would you stand?

5 BY MR. COGDELL:

6 Q Can you see him, Special Agent?

7 A No, sir, but I know who he is.

8 Q Let me get him away from around the --

9 THE COURT: Around the pole.

10 MR. COGDELL: Around the pole.

11 BY MR. COGDELL:

12 Q Can you see him now?

13 A Yes, sir.

14 Q Okay. And that's Brent Baker, right?

15 A Yes, sir.

16 Q That is a different lawyer from Mr. Sjoblom, right?

17 A Yes, sir, he is.

18 Q Different firm.

19 A Yes, sir.

20 Q And as far as you know, Mr. Baker does not represent
21 Stanford through -- or Mr. Stanford or Mr. Davis or anyone
22 else that was at these meetings, correct?

23 A As far as I know, yes, sir.

24 Q Okay. Likewise, with respect to this meeting here on
25 the 10th, is it true -- is it also true, Special Agent, that

1 Ms. Holt answered every question they asked of her?

2 A I don't know that. I was not present at those
3 meetings.

4 Q Fair enough. Did you receive any information from any
5 source that she refused to answer any question asked of her?

6 A No, sir.

7 Q Did you receive any information from any source that
8 she terminated the interview before the interview was
9 concluded?

10 A No, sir.

11 Q Did you receive any information from any source that
12 she refused to answer any questions based upon her privilege
13 against self-incrimination?

14 A No, sir, she didn't.

15 Q So as far as you are aware, she answered every question
16 put to her by anybody that was asking questions.

17 A Yes, sir, she was cooperative.

18 Q Now, are you aware once again, on the 25th, ma'am, that
19 there was a phone conference where Ms. Holt was questioned
20 by the Receiver for several hours via telephone?

21 A Yes, sir. And I think that was the correct date. It
22 was this week.

23 Q Okay. If I suggested to you it was Wednesday --

24 A Wednesday? That's what I was thinking.

25 Q Okay. Once again, is it your understanding that this

1 conversation like the others had lasted several hours?

2 A Yes, sir.

3 Q And like the others, she answered every question put to
4 her and was completely cooperative as far as you know?

5 A As far as I know, yes, sir.

6 Q Now, yesterday, she was asked to come to Houston by the
7 Receiver to continue to answer questions put to her from the
8 Receiver, correct?

9 MR. COGDELL: Can you see that, Your Honor, if --

10 THE COURT: No, I can't see that.

11 MR. COGDELL: Do you want me to move it?

12 THE COURT: No -- yeah, why don't you --

13 MR. COGDELL: Where do you want it?

14 THE COURT: Right there. Thank you, that's fine.

15 MR. COGDELL: Okay.

16 BY MR. COGDELL:

17 Q Yesterday, on the 26th -- I'm going to put
18 "cooperative" on the "25th"; that's true, correct?

19 A Yes, sir.

20 Q Yesterday, once again she came to Houston to answer any
21 questions put to her by the Receiver, right?

22 A Yes, sir.

23 Q And that was the situation we talked about where the
24 Receiver voluntarily advanced her \$10,000 so she could get
25 here.

1 A Yes, sir.

2 Q And like the other occasions, for several hours,
3 Ms. Holt answered, as far as you know, every single question
4 put to her, right?

5 A Yes, sir.

6 Q And as far as you know, never refused to answer a
7 question based upon the grounds it might incriminate her,
8 ask for a lawyer to terminate her conversation or anything
9 on the --

10 A She had Mr. Baker with her --

11 Q Right.

12 A -- but she was cooperative, yes.

13 Q Okay. And when did this cooperative session with the
14 SEC end?

15 A A little bit before 3:00 p.m.

16 Q And where were you when the cooperative session ended?

17 A We were waiting outside in the lobby.

18 Q Gotta to ask who's "we"?

19 A My partner, Special Agent Chad Nunez, and I and two
20 other special -- well, three other special agents.

21 Q You had an arrest warrant.

22 A Yes, sir, we did.

23 Q And when had you obtained the arrest warrant for her?

24 A Wednesday evening.

25 Q Was the SEC aware that you had the arrest warrant?

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 A They didn't know specifically that we had a warrant,
2 no, sir.

3 Q Did you ever communicate to Mr. Baker or Ms. Holt
4 before she came here, "Oh, by the way, we have a little
5 surprise for you when you come to Houston"?

6 A I never talked to them before they came to Houston. As
7 a matter of fact, I'd never talked to them until yesterday
8 when we executed the warrant.

9 Q Did anybody to your knowledge, Special Agent, give any
10 idea to Ms. Holt who had been cooperating on this date, on
11 this date, on this date, on that date --

12 MR. PELLETIER: Does include 2/10?

13 THE COURT: Yes.

14 MR. PELLETIER: Okay. I'm going to object.

15 THE COURT: Oh, can you not see that? I'm sorry.

16 MR. PELLETIER: It's okay. I saw -- I object to
17 the form of the question if it includes 2/10.

18 MR. COGDELL: She -- your witness has already
19 answered that she was cooperative and answered every
20 question put to her and had never --

21 MR. PELLETIER: I don't think she's been
22 "cooperative."

23 MR. COGDELL: Okay.

24 THE COURT: Well, the question -- that'll be
25 sustained.

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 Do me one favor though: point it so
2 Mr. Pelletier can see it because --

3 MR. COGDELL: Sure. I'm sorry, Judge, I --

4 THE COURT: Thank you.

5 I didn't realize you couldn't see it.

6 MR. COGDELL: Can you see it?

7 MR. PELLETIER: Thank you, yeah.

8 MR. COGDELL: Sorry about that.

9 MR. PELLETIER: That's okay.

10 BY MR. COGDELL:

11 Q Did anybody tell Ms. Holt or her civil SEC lawyer that
12 after they were done asking questions of her instead of
13 thanking her or appreciating her coming, they were going to
14 arrest her?

15 A I can't speak to what other people told her. The FBI
16 did not inform them prior to executing the warrant that she
17 would be arrested.

18 Q Do you have any source from any knowledge -- or any
19 knowledge from any source rather, Special Agent, that either
20 Mr. Baker or Ms. Holt was aware?

21 A I do not believe they were aware, no, sir.

22 Q And, in fact, would you agree with me that both
23 Mr. Baker and Ms. Holt expressed tremendous and great shock
24 and surprise when -- about the time lunch was being brought
25 in, she was arrested?

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 A Yes, sir, she was surprised.

2 Q And, in fact, she was trembling very visible and
3 noticeably.

4 A As would be expected of somebody being arrested.

5 Q She's got a palsy, are you aware of that?

6 MR. PELLETIER: Objection.

7 THE COURT: She can answer. Overruled.

8 BY MR. COGDELL:

9 Q Are you --

10 A I know what she has stated to me. Ms. Pendergest
11 stated that to me, yes.

12 Q Did you see her shaking very, very visibly yesterday
13 continuing and through the time that I got to the FBI
14 offices a couple hours after you arrested her?

15 A Yes, sir.

16 MR. PELLETIER: Objection. Relevance?

17 THE COURT: Sustained.

18 BY MR. COGDELL:

19 Q What is scheduled on Monday; any court proceedings
20 scheduled on Monday?

21 A Yes, sir.

22 Q What?

23 A The SEC has a hearing, I believe, to make the TRO/PI.

24 Q And explain in a general way what you understand is
25 going to happen on Monday.

1 A All that I'm aware of is: they're going to -- they may
2 be putting on testimony to make the Temporary Restraining
3 Order a permanent injunction, and potentially talking about
4 payment of attorney's fees.

5 Q So if I've got the calendar aspect of it right,
6 Ms. Holt was taken into custody and arrested after she was
7 brought here on a of the SEC, I guess, really one working
8 day before the SEC has its hearing scheduled in Dallas.

9 MR. PELLETIER: Objection to the form, Your Honor,
10 "While here at the request of the SEC." I think that the
11 testimony was she was brought here at the request of
12 Receiver.

13 THE COURT: Sustained.

14 MR. PELLETIER: The Court Receiver.

15 MR. COGDELL: Fair enough. I'll rephrase.

16 She was brought here at the request of the
17 Receiver.

18 THE WITNESS: Yes, sir.

19 BY MR. COGDELL:

20 Q And arrested one calendar day before the SEC has to put
21 on testimony in Dallas, one calendar working day before the
22 SEC has to put on testimony in Dallas, correct?

23 A Yes, sir.

24 Q That's a coincidence?

25 A Yes, sir.

1 Q And were her funds frozen?

2 A I would believe that it was when the TRO was signed and
3 it was executed on the 17th of February.

4 Q And as far as you know, are any and all accounts that
5 Ms. Holt has access to frozen?

6 A Any accounts that the Receiver is aware of, yes, sir,
7 are frozen.

8 Q Well, would you agree with me that the order is a very
9 broad order?

10 A I haven't read the complete order.

11 Q Okay. This Credit Suisse account that Counsel referred
12 to you about, Special Agent, where she signed some documents
13 over or at the request of the SEC?

14 A At the request of the Receiver, I believe, yes, sir.

15 Q I'm sorry, I keep doing it. My bad.

16 She signed documents at the request of the
17 Receiver concerning the Credit Suisse accounts, right?

18 A Yes.

19 Q And those accounts apparently had balances of a
20 significant amount like \$160 million?

21 A Yes, sir, that's my understanding.

22 Q And would you agree with me, ma'am, that as a result of
23 executing those documents, at the request of the Receiver
24 and as a result of the orders entered by the District Judge
25 in Dallas, she has no access to those funds, right?

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 A She signed over her access to accounts that the
2 Receiver was aware of, yes, sir.

3 Q And where I'm going with you specifically, just so that
4 we're on the same page here, that's the \$160 million account
5 that Counsel was asking you about in the Credit Suisse.

6 A Yes, sir.

7 Q And she signed that over yesterday?

8 A Yes, sir.

9 Q I assume it is safe to presume that she signed over the
10 \$160 million accounts before she got arrested?

11 A Yes, sir, she did.

12 Q Okay.

13 MR. COGDELL: Judge, it's about 10 till, if you
14 want to break now?

15 THE COURT: Thank you. Yeah, 1:45?

16 MR. COGDELL: Yes, ma'am.

17 THE COURT: All right. See you back at 1:45.

18 MR. PELLETIER: Thank you, Your Honor.

19 THE COURT: The Court will stand in recess until
20 then.

21 (Recess taken from 11:46 a.m. to 1:46 p.m.)

22 AFTER RECESS

23 THE COURT: All right. Mr. Cogdell, you were
24 questioning Ms. Walther.

25 MR. COGDELL: I was, Your Honor.

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 May I proceed?

2 THE COURT: Yeah.

3 MR. COGDELL: First of all, Agent Walther, I'm
4 going to try to wrap up as quickly as I can.

5 CROSS EXAMINATION OF AGENT VANESSA WALTHER (RESUMED)

6 BY MR. COGDELL:

7 Q When did Allen Stanford appear pursuant to the
8 subpoena from the -- of the SEC?

9 A He did not.

10 Q When did he voluntarily appear in front of the SEC?

11 A He did not.

12 Q When did he voluntarily meet with the Receiver?

13 A He has not, to my knowledge.

14 Q Has he signed over his signatory authority on any
15 accounts that you know of?

16 A No, sir.

17 Q I'm sorry?

18 A Not that I know of.

19 Q He's done nothing in terms of cooperation; would you
20 agree with me?

21 A Yes, sir.

22 Q Similarly to Mr. Davis, when did he appear pursuant to
23 a subpoena?

24 A He did not.

25 Q To be clear, was Stanford subpoenaed?

1 A Yes, sir, he was.

2 Q And likewise, Davis was subpoenaed?

3 A Yes, sir.

4 Q They just announced, I guess, through their lawyer

5 Mr. Sjoblom -- I'm horrible with names -- I guess it'd be

6 Mr. Sjoblom that told the SEC they were not going to appear?

7 A I'm not sure of the exact -- but they had an agreement
8 that they were not going to appear, yes.

9 Q Okay. Did Davis ever voluntarily meet with the SEC?

10 A Not that I'm aware of, no, sir.

11 Q Meet with the Receiver?

12 A No, sir.

13 Q Sign over any accounts?

14 A Not that I'm aware of, no, sir.

15 Q Has he done anything that would come under the ambit
16 of "cooperation"?

17 A No, he hasn't come forward.

18 Q Do you know where Davis is?

19 A At this moment? No, sir, and I haven't looked for him
20 at this moment.

21 Q Stanford, to your knowledge, is in the Virginia area
22 somewhere?

23 A Yes, sir, to my knowledge.

24 Q There is no warrant out for Stanford.

25 A No, sir.

1 Q No warrant out for Davis.

2 MR. PELLETIER: Objection, Your Honor.

3 THE COURT: Yes?

4 MR. PELLETIER: Those who had, they were not
5 relevant to this proceeding.

6 THE COURT: What's the relevance?

7 MR. COGDELL: I'll move on.

8 THE COURT: All right, thank you.

9 BY MR. COGDELL:

10 Q I'm not asking for the identity, but did -- in terms
11 of general counsel, did general counsel for the Stanford
12 Group or the Stanford company ever voluntarily appear at
13 the SEC?

14 A For testimony?

15 Q Yes, ma'am.

16 A No, sir.

17 Q CW-1, did they voluntarily appear for testimony?

18 A For testimony? No, sir.

19 Q CW-2?

20 A And I'm talking sworn testimony.

21 Q Yes.

22 A No, sir.

23 Q CW-3?

24 A No, sir.

25 Q So all the people described either by name or by

1 description, if you will, a shorthand rendition description,
2 the only one that's appeared and given testimony is
3 Ms. Holt.

4 A Yes, sir, she was put up as the person with knowledge
5 of the assets of the Bank.

6 Q Okay. She was put up through this lawyer hired by the
7 Stanford Group as the person with knowledge.

8 A She was the person from Stanford Group that was to
9 have knowledge of that, yes.

10 Q And the person -- to be specific, Special Agent, the
11 person that represented to you that Ms. Holt was the
12 individual with knowledge of Stanford was Stanford's
13 lawyer -- Stanford Group's lawyer.

14 A He didn't represent that to me, no, sir.

15 Q He represented that to somebody.

16 A Yes, sir.

17 Q Okay. It's through him, Mr. Sjoblom, that she's
18 chosen to do that.

19 A Not him alone, no, sir.

20 Q Who else?

21 A Other people that we interviewed.

22 Q In terms of her appearing at the SEC? That's the
23 question on the table.

24 A Oh, no, sir.

25 Q Just through that one.

1 A Yes, sir, that's what I'm aware of.

2 Q Ms. Holt, you are aware -- I mean, Special Agent, that
3 Ms. Holt has no criminal history as far as you're able to
4 tell?

5 A Yes, sir.

6 Q You're agreeing with me?

7 A Yes, sir.

8 Q Has anybody suggested to you that she has threatened
9 to flee?

10 A No, sir.

11 Q From any source?

12 A No, sir.

13 Q Has anybody suggested to you, from any source, that
14 she's a danger, a physical danger to anyone?

15 A No, sir.

16 Q This thumb drive that Counsel gave you some -- asked
17 you some questions about on your direct, where's the thumb
18 drive?

19 A I don't know.

20 Q What's your proof that she has it?

21 A I don't have any proof that she has it.

22 Q The computer that the thumb drive was place into,
23 where's that?

24 A I don't know.

25 Q What's your proof that she has it?

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 A I don't know that she has it.

2 Q Do you have any proof that she does?

3 A No, sir.

4 Q Do you have any proof that it was her computer that
5 the thumb drive was placed into?

6 A No, sir.

7 Q Do you have any proof that it was her thumb drive that
8 was placed into the computer that you don't have any proof
9 was hers?

10 A No, sir.

11 **MR. COGDELL:** May I have just a minute,
12 Your Honor?

13 **THE COURT:** Uh-huh.

14 **BY MR. COGDELL:**

15 Q Are you aware of whether or not through your
16 investigation, Special Agent, that Davis was, for lack of a
17 better description, "a bit technologically challenged," that
18 he didn't work well with computers?

19 A Yes, sir.

20 Q Did it come to your attention that what Ms. Holt did
21 in terms of creating this pie chart was: take information
22 given to her by Mr. Davis and create, based on the
23 information that Davis gave to her, a pie chart?

24 A Yes, sir.

25 Q So your investigation is that she was simply relying

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 upon information given to her by Mr. Davis. Because she was
2 a bit more technologically proficient than Mr. Davis, she
3 created this pie chart.

4 A I can't say that that was the only information that
5 she was using but he was providing information to her.

6 Q Is that consistent with your investigation?

7 A I'm sorry, is what consistent?

8 Q Sure. Is my suggestion that she created this pie
9 chart based on information provided to her by Davis
10 consistent with your investigation?

11 A It's consistent that Davis provided her information
12 that she used to make the pie chart.

13 Q Fair enough.

14 **MR. COGDELL:** May I approach, Your Honor?

15 **THE COURT:** You may.

16 **BY MR. COGDELL:**

17 Q Special Agent, I'm showing you three more pictures:
18 3, 4, and 5, and ask you if you seen the contents of those
19 photographs before?

20 A I haven't seen these photographs but I have seen -- I
21 know what these are.

22 Q Do the photographs, as far as you can tell, Special
23 Agent, clearly and accurately depict the contents that are
24 reflected therein?

25 A Yes, sir, they do.

AGENT VANESSA WALTHER -- CROSS BY MR. COGDELL

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1 Q And for the record, Defendant's Exhibit 3 appears to
2 be the house owned by Ms. Holt in Baldwin, Mississippi.

3 A Yes, sir.

4 Q And likewise, Defendant's 4 and 5 appear to be
5 pictures of a house owned by Mr. Davis in Baldwin,
6 Mississippi.

7 A Yes, sir.

8 MR. COGDELL: I'll tender 3, 4, and 5 to opposing
9 counsel, Your Honor.

10 THE COURT: Any objection, Mr. Pelletier?

11 MR. PELLETIER: None, Your Honor.

12 THE COURT: All right. Defendant's 3, 4, and 5
13 will be admitted.

14 (Defendant's Exhibit Numbers 3, 4, and 5 were admitted
15 into evidence)

16 BY MR. COGDELL:

17 Q Do you have any proof that Ms. Holt has access to any
18 funds that aren't seized?

19 A I know that she does not have access to any funds that
20 the Receiver is aware of the existence of the accounts. If
21 the Receiver knows the existence of the account, she does
22 not have access.

23 Q Do you know of any funds that she has access to that
24 the Receiver is not aware of?

25 A No, sir, only she would know that.

AGENT VANESSA WALTHER -- REDIRECT BY MR. PELLETIER

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1 Q Okay. What's your proof that she has accounts that
2 the Receiver is not aware of?

3 A She was the Chief Investment Officer for
4 Stanford Financial Group.

5 Q Again, I'll ask the question: except for her job
6 description, what's your proof that Ms. Holt has access to
7 funds unknown to the Receiver?

8 MR. PELLETIER: It's asked and answered.

9 THE COURT: Overruled.

10 THE WITNESS: I don't have proof of other
11 accounts. If we did, those accounts -- she would not have
12 access to.

13 MR. COGDELL: I pass the witness, Your Honor.

14 THE COURT: Mr. Pelletier.

15 MR. PELLETIER: Yes, Your Honor.

16 REDIRECT EXAMINATION OF AGENT VANESSA WALTHER

17 BY MR. PELLETIER:

18 Q You were asked questions about proof about whether or
19 not where the hard drive [sic] was that we talked about; do
20 you recall that?

21 A Yes, sir.

22 Q Who is the last person that your investigation
23 revealed was in possession of that hard drive [sic]?

24 A The thumb drive, I assume, is what you're talking
25 about.

1 Q Thumb drive. I'm sorry, thumb drive.

2 A Laura Pendergest was working on a computer that the
3 thumb drive was plugged into creating a spreadsheet.

4 Q And you were asked questions about her access to
5 accounts that you knew, correct?

6 A Yes, sir.

7 Q The accounts that the Receiver knows about contain --
8 what is your understanding as to the amount of money that
9 the accounts that the Receiver knows about contain?

10 A I know of the Credit Suisse account which is
11 160 million. And then an additional 90 million but I don't
12 know what specific accounts those are in.

13 Q So are you aware that the Receiver knows about any
14 other accounts with respect to any other sum of money in
15 there as proof of them?

16 A No, sir, I don't have a detailed list of the accounts
17 that the Receiver's aware of.

18 Q Do you know if the Receiver has been able to find
19 the approximately \$6 billion that was represented to be
20 Tier III?

21 A No, sir.

22 Q I'm going to just show you the chart that was shown
23 and we talked about. You were asked whether
24 Robert Stanford -- whether he appeared before the -- whether
25 he had been subpoenaed to the SEC, correct?

1 A Yes, sir.

2 Q Who is the person that you do know was subpoenaed?

3 A Mr. Stanford was subpoenaed, Mr. Davis, and Ms. Holt.

4 Q And anybody else?

5 A I don't recall anyone other than those three.

6 Q Is another person that was supposed to show up that
7 didn't on Monday, September 9th?

8 A Oh, I'm sorry. The President of the SIB Affiliate.

9 Q And what is his name?

10 A Juan Rodriguez-Tolentino.

11 Q And what is your understanding after talking to the
12 confidential witnesses as to what the reason was he wouldn't
13 show up?

14 A Because he could not answer the questions as to where
15 the assets of Tier III were.

16 Q And then you talked about Jim Davis. And you said
17 that it was his understanding that he did not appear for a
18 subpoena.

19 A No, sir, he has not appeared before the SEC for
20 testimony.

21 Q For testimony. And the charges that you're aware of,
22 the 1505, are they a result of the appearance before the SEC
23 staff?

24 A They're a result of the testimony that was given to
25 the SEC.

1 Q Any nobody else gave testimony as far as you know in
2 this case.

3 A No, sir.

4 Q Okay. And then he asked you whether or not she --
5 Mr. Stanford had voluntarily appeared at the SEC, correct?

6 A Yes, sir.

7 Q And he asked you whether Jim Davis voluntarily
8 appeared before the SEC, correct?

9 A Yes, sir.

10 Q I'm going to ask you refer to the last paragraph of
11 the affidavit if you have it in front of you.

12 A Yes, sir, I do.

13 Q Did Ms. Pendergest-Holt speak with the SEC about
14 Tier III independent of the SEC testimony?

15 A Yes, sir, she did.

16 Q What did she tell them about Tier III?

17 A "If I knew anything about Tier III, I'd tell you,
18 God's honest truth."

19 Q Now, as it relates to the next thing, which is:
20 "voluntarily meet with the Receiver"; do you see that on the
21 board?

22 A Yes, sir.

23 Q And you said that neither Mr. Stanford or Mr. Davis
24 voluntarily appeared before the Receiver, correct?

25 A Not that I'm aware of, sir.

AGENT VANESSA WALTHER -- REDIRECT BY MR. PELLETIER

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1 Q All right. And when she did, you were asked about
2 questions about whether or not she answered questions.

3 A Yes, sir.

4 Q And you said that she did.

5 A Yes, she did.

6 Q And whether or not she had signed over accounts at
7 Credit Suisse that contained approximately 100-and-something
8 million dollars, correct?

9 A Yes, sir.

10 Q And did she provide -- you've spoken with the Receiver
11 about this, right?

12 A Yes, sir.

13 Q Did she provide them the names of those accounts and
14 talk about the existence of those accounts or did they
15 provide that information to her?

16 A It's my understanding that they provided that
17 information to her.

18 Q So she didn't volunteer, in your understanding, where
19 these Swiss banks; is that correct?

20 MR. COGDELL: I'm sorry, it is his witness'
21 legal --

22 THE COURT: Sustained.

23 BY MR. PELLETIER:

24 Q Did she volunteer, to your understanding, the names
25 and locations of these accounts to the Receiver?

AGENT VANESSA WALTHER -- REDIRECT BY MR. PELLETIER

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1 A The Receiver was aware of them prior to talking to
2 her.

3 Q Okay. And asked her to sign them over.

4 And did she?

5 A Yes, sir, she did.

6 Q All right. Now, let's -- and then we talked about
7 Zurich, Switzerland; do you remember that?

8 A Yes, sir.

9 Q I'm going to show you what's been marked as
10 "Government Exhibit Number 2" for the purpose of this
11 hearing. It is the passport of Robert Allen Stanford.

12 I'll ask you if you recognize it.

13 MR. COGDELL: She doesn't -- oh, you have a copy,
14 I'm sorry.

15 THE WITNESS: No, sir, I don't have a copy.

16 MR. PELLETIER: She doesn't, I'm sorry.

17 MR. COGDELL: That's okay.

18 BY MR. PELLETIER:

19 Q And while he's looking at that, in terms of
20 volunteering, has -- is it your testimony or do you know
21 whether or not Ms. Pendergest-Holt has volunteered the
22 location of that thumb drive that we talked about earlier?

23 A No, sir, she has not.

24 Q I'm going to show you the passport of Robert Allen
25 Stanford.

AGENT VANESSA WALTHER -- REDIRECT BY MR. PELLETIER

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1 And you were asked about whether or not
2 Switzerland will stamp your passport, correct?

3 A Yes, sir.

4 Q I'm going to ask you look -- I've marked two places:
5 one January 26th, 2009; the other January 28th, 2009.

6 Can you tell us where Mr. Robert Allen
7 Stanford was on January 26th, 2009?

8 **MR. COGDELL:** Objection. Hearsay, Your Honor.

9 **BY MR. PELLETIER:**

10 Q What does the passport say?

11 **MR. PELLETIER:** I'm sorry, withdraw that
12 question.

13 **MR. COGDELL:** The passport, I'm sorry.

14 **THE COURT:** Has the passport been offered?

15 **MR. COGDELL:** No, that's my objection.

16 **MR. PELLETIER:** Oh, may I -- I'm sorry -- may I
17 offer Mr. Stanford's passport?

18 **THE COURT:** And the relevance of Mr. Stanford's
19 passport would be?

20 **MR. PELLETIER:** I will link it up that there are
21 stamps to Zurich and the witness can testify she had not
22 seen the stamp for Switzerland before and there are some --

23 **THE COURT:** Any objection to the passport?

24 **MR. COGDELL:** No.

25 **THE COURT:** All right. The passport will be

AGENT VANESSA WALTHER -- REDIRECT BY MR. PELLETIER

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1 admitted, or the copy of the passport, I think.

2 That's Government's Number 2?

3 MR. PELLETIER: Yes, Your Honor.

4 (Government's Exhibit Number 2 was admitted into
5 evidence)

6 THE COURT: Did the Government ever -- did you
7 ever offer Number 1, Mr. Pelletier?

8 MR. PELLETIER: I offer Number 1.

9 THE COURT: All right. Any objection to
10 Number 1?

11 MR. COGDELL: Well, I'm objecting now for sure.

12 (Laughter)

13 No, no objections, Your Honor.

14 THE COURT: All right. Number 1 will be
15 admitted.

16 (Government's Exhibit Number 1 was admitted into
17 evidence)

18 And was Number 1 Ms. Holt's passport --

19 MR. PELLETIER: It was, Your Honor.

20 THE COURT: -- or a copy of it?

21 MR. PELLETIER: It was a copy of it. All right.

22 BY MR. PELLETIER:

23 Q Robert Allen Stanford, what does his passport say as
24 it relates to January 26th, 2009?

25 A It's showing a stamp from Zurich.

AGENT VANESSA WALTHER -- REDIRECT BY MR. PELLETIER

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1 Q Zurich is in?

2 A Switzerland.

3 Q Okay. And what does it say in terms of departure

4 1/28/09?

5 A There's a Zurich stamp.

6 Q All right. Zurich is in?

7 A Switzerland.

8 Q What does -- oh, what does the passport, which is

9 Government's Exhibit 1 for the purpose of this hearing, show
10 as to Ms. Pendergest-Holt's whereabouts on the 26th and 28th
11 of '09?

12 A It doesn't show anything on the 26th or 28th.

13 Q Does it show anything on the 29th?

14 A Yes, sir, it does.

15 Q And what does it show on the 29th?

16 A It shows an exit from Antigua.

17 Q What does the passport say -- what does the stamp on
18 the passport that indicates the day she arrived in Antigua?

19 A There is no entry stamp.

20 Q Would you check it again please?

21 A I'm sorry, what day am I looking for?

22 Q Any arrival into Antigua in January of '09.

23 A Is it okay if I look at the actual original passport?

24 Q Yes.

25 A All that I see for 2009 is the exit stamp for Antigua.

AGENT VANESSA WALTHER -- REDIRECT BY MR. PELLETIER

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1 Q There is no entry stamp is there that you can see.

2 A No, sir.

3 Q And is there an entry stamp for Antigua for when -- by
4 the way, do you know how -- from your investigation, how
5 Mr. Stanford travels around foreign countries?

6 A Corporate private aircraft.

7 Q Is there an entry stamp for him in Antigua after he
8 leaves Switzerland?

9 A No, sir, I do not believe so.

10 Q Now, I'm going to ask you to look at Mr. Davis'
11 passport which I'm going to give to you as "Government's
12 Exhibit" -- I believe it would be Government's Exhibit
13 Number 3; do you recognize this?

14 A Yes, sir, I do.

15 **MR. PELLETIER:** Your Honor, I'd move in
16 Government's Exhibit Number 3.

17 **THE COURT:** Any objection, Mr. Cogdell?

18 **MR. COGDELL:** No objections.

19 **THE COURT:** All right. Number 3 will be
20 admitted.

21 **(Government's Exhibit Number 3 was admitted into**
22 **evidence)**

23 **BY MR. PELLETIER:**

24 Q Where is Mr. Davis, according to the passport stamps,
25 in January of '09?

AGENT VANESSA WALTHER -- REDIRECT BY MR. PELLETIER

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1 Specifically, does he ever enter and exit
2 Antigua and are there stamps that reflect both entry and
3 exit?

4 A Yes.

5 **MR. COGDELL:** I'm sorry, relevancy at this point
6 as to where Davis is in January.

7 **THE COURT:** What's the relevance?

8 **MR. PELLETIER:** The point has been made earlier
9 that she has been to Switzerland and the passport does not
10 reflect stamps into Switzerland.

11 **MR. COGDELL:** Actually, that's not correct. He
12 made the point that she's been to Switzerland, not me.

13 **THE COURT:** But the point was made.

14 **MR. COGDELL:** Yeah.

15 **THE COURT:** Go ahead.

16 **MR. PELLETIER:** And that Switzerland -- the point
17 was also attempted to be made that Switzerland does not
18 stamp one's passport.

19 **THE COURT:** Okay.

20 **MR. PELLETIER:** We have Mr. Stanford in
21 Switzerland stamped the 26th and 28th --

22 **THE COURT:** Right.

23 **MR. PELLETIER:** -- and no entry into Antigua.

24 We have Ms. Pendergest-Holt exiting from
25 Antigua but no entry. Also, no entry into Antigua.

1 We have Mr. Davis in Antigua both an entry
2 and an exit stamp. On January 21st enter, and January 29th
3 exit. He exits with her from Antigua.

4 We have previously put in evidence to show
5 that on the 27th they had agreed that she was going to be
6 the one to testify about the Tier III assets.

7 We also have established, we believe, that
8 she has access or she should or could have access to Swiss
9 bank accounts which we do not know about and that there
10 are --

11 **THE COURT:** And so what's Mr. Davis -- have you
12 already given your proffer testifying basically,
13 Mr. Pelletier, about what you wanted the witness to say?

14 **MR. PELLETIER:** I don't want the witness to say
15 anything but what's in the passport.

16 **THE COURT:** All right. Okay.

17 You can testify as to what's in the passport
18 if you find it.

19 **MR. COGDELL:** Just for the record, renew my
20 objection as to the relevancy on the Davis passport.

21 **THE COURT:** All right, I understand.

22 **THE WITNESS:** There is an entry stamp dated
23 January 21st, 2009 on Mr. Davis' passport, and an exit stamp
24 from Antigua on January 29th. So entry on the 21st, exit on
25 the 29th from Antigua by Mr. Davis.

1 **MR. PELLETIER:** Okay, thank you.

2 I have, I think, one more question,

3 Your Honor.

4 **(Pause)**

5 I believe I've covered everything. If you'd
6 give me just one minute?

7 **THE COURT:** Sure.

8 **MR. PELLETIER:** That's all I have for this
9 witness, Your Honor.

10 **THE COURT:** All right.

11 **MR. PELLETIER:** And that's all I have for -- by
12 way of presentation.

13 **MR. COGDELL:** Briefly.

14 **THE COURT:** Briefly? All right, briefly. I
15 trust you will.

16 **(Laughter)**

17 **RECROSS EXAMINATION OF AGENT VANESSA WALTHER**

18 **BY MR. COGDELL:**

19 Q We've had a back and forth on Switzerland and no
20 Switzerland with respect to Ms. Holt, passport stamp, no
21 passport stamp to Switzerland with respect to Ms. Holt; you
22 with me so far?

23 A Yes, sir.

24 Q What's your proof -- Special Agent, what's your proof
25 that Ms. Holt was in Switzerland in January?

1 **MR. PELLETIER:** Objection, unless we're talking
2 about circumstantial or direct.

3 **MR. COGDELL:** Well, he's the one that put it in.

4 **THE COURT:** Yeah.

5 Does she have any proof?

6 **BY MR. COGDELL:**

7 Q What's your proof that she went to Switzerland?

8 A It's my understanding that she made a statement to
9 Pretrial Services that she'd been to Switzerland, yes.

10 **MR. COGDELL:** May I approach, Your Honor?

11 **THE COURT:** You may.

12 **BY MR. COGDELL:**

13 Q Have you seen --

14 **THE COURT:** Although that's confidential, that's
15 not for the agent's perusal.

16 **MR. COGDELL:** Okay.

17 **BY MR. COGDELL:**

18 Q Have you seen what's in the pretrial services report?

19 A Oh, no, sir.

20 Q Okay.

21 A I was asked the question.

22 Q All right. So you are basing your whole -- you are
23 basing your belief that she went into Switzerland on a
24 pretrial services report that you've never -- that she went
25 into Switzerland this year in January on a pretrial services

1 report that you've never seen.

2 A Oh, no, sir. I'm not -- I don't know that she went to
3 Switzerland in January. I'm not saying that at all. There
4 is no stamp in her passport.

5 Q Okay. So would you agree with me that you have no
6 proof whatsoever and you are not trying to suggest that she
7 was in Switzerland in January of this year?

8 Do you agree with both of those things?

9 A I'm not trying -- to answer your first question do I
10 have any proof --

11 Q Uh-huh.

12 A -- that she'd been to Switzerland in January?

13 Q In January of this year.

14 A No, sir, I do not.

15 Q Are you suggesting that she went to Switzerland in
16 January of this year?

17 A No, sir, I don't have a basis for that.

18 Q Where is Ms. Holt's passport now?

19 A It's right here.

20 Q You have it.

21 A Yes, sir.

22 Q She does not.

23 A No, sir.

24 Q She can't get it back unless the Court gives it back
25 which I'm not going to ask for.

1 She can't get that passport back, right?

2 A No, sir, she can't.

3 Q Do you have any proof from any source that she has
4 another passport?

5 A No, sir.

6 Q Do you have any proof -- this has been covered before
7 and I apologize, but do you have any proof that Ms. Holt has
8 access to a Swiss bank account currently?

9 A No, sir, I do not.

10 **MR. COGDELL:** I pass the witness, Your Honor.

11 **THE COURT:** Mr. Pelletier, anything else?

12 **MR. PELLETIER:** Just briefly.

13 **FURTHER REDIRECT EXAMINATION OF AGENT VANESSA WALTHER**

14 **BY MR. PELLETIER:**

15 Q Do you know where Ms. Holt was and how she got into
16 Antigua without a stamp in January of '09; do you have any
17 proof?

18 **MR. COGDELL:** Compound, Judge.

19 **THE COURT:** Sustained.

20 **BY MR. PELLETIER:**

21 Q Do you know where she was prior to entering Antigua
22 January 29th, 2009?

23 A I know at a point where she was, yes, prior to
24 entering Antigua.

25 Q Do you know when she arrived in Antigua?

1 A No, sir.

2 Q Do you know how she got to Antigua?

3 A No, sir.

4 Q Is there a stamp in her passport which says how she
5 got there?

6 A No, sir.

7 Q Is there a stamp in Mr. Stanford's passport of how he
8 got there?

9 MR. COGDELL: Judge, this has been asked and
10 answered.

11 THE COURT: Sustained.

12 MR. COGDELL: It was covered by recross.

13 THE COURT: Sustained.

14 MR. PELLETIER: All right.

15 BY MR. PELLETIER:

16 Q With respect to the second question in terms of proof,
17 do you know whether or not she has indeed access to Swiss
18 bank accounts?

19 A She has -- she had access to the accounts that the
20 Receiver was aware of. I don't know what other accounts she
21 may or may not have access to.

22 Q Have you been able to get the records from Switzerland
23 to prove that she has no further access to any other Swiss
24 bank account other than the one somebody happened to tell
25 the Receiver about?

1 **MR. COGDELL:** Judge, that assumes facts not in
2 evidence.

3 **THE COURT:** Sustained.

4 **MR. PELLETIER:** No further questions.

5 **THE COURT:** All right. You may step down,
6 Ms. Walther.

7 **(Witness Steps Down)**

8 You said you had no further witnesses,
9 Mr. Pelletier?

10 **MR. PELLETIER:** I have no --

11 **THE COURT:** Any witnesses, Mr. Cogdell?

12 **MR. COGDELL:** We do not, Your Honor.

13 **THE COURT:** All right. I'm asking Pretrial to
14 verify something for me.

15 **(Pause/Court confers with Pretrial Officer)**

16 All right. Any argument? Okay.

17 There's an addendum on property that's on
18 its way up.

19 **MR. PELLETIER:** Okay, very good.

20 Just briefly, Your Honor, may I be heard?

21 **THE COURT:** Yeah.

22 **MR. PELLETIER:** Your Honor, the point in asking
23 for this high bond is because this defendant who has been
24 purported to have -- by Stanford to be both the
25 investment -- the Chief Investment Officer who has been told

1 to the SEC has knowledge of Tier III indeed presented and
2 prepared a pie chart with the assistance of Mr. Davis as to
3 the existence of Tier III and what was in Tier III, a person
4 who when the Receiver brought to her attention a Swiss bank
5 account that was under her control and that she had not
6 volunteered to the Receiver with over \$100 million in it,
7 only then did she agree to sign over the account.

8 This is a woman who travels, appears in
9 countries with no way of verifying how she got there but we
10 know when she left there. This is a woman who is the -- one
11 of three people who have access information about the
12 \$6 billion that is now missing that belongs to investors. I
13 can't tell the Court just as the agent can't tell the Court
14 where -- whether those accounts actually have her name on it
15 or don't have her name on it, but one thing is for sure,
16 when we found one account, it did have her name on it.

17 She has been to Switzerland. There is no
18 record in her passport of those trips to Switzerland. She
19 clearly had control of at least one account in Switzerland
20 that she did not volunteer to the Receiver. There are
21 billions of dollars missing in this case, Your Honor, and
22 this woman has a number of assets in real estate, she has a
23 number of properties, she's being paid a million dollars a
24 year.

25 And most importantly, she indeed had the

1 thumb drive in her possession. It was never volunteered to
2 anybody what happened to that after it left her possession.
3 That had information that could have been used and still can
4 be used by the Receiver to help the investors recover their
5 money.

6 I cannot in good conscious rely upon the
7 fact that we can't prove where the money is to somehow
8 eliminate that as a flight risk for this individual. That
9 is why we've asked for \$1 million cash bond or surety and
10 electronic monitoring. This is serious, this is a serious
11 case.

12 She is the only one who testified for the
13 SEC. She's the only one who can be charged with obstruction
14 during that proceeding. So the fact that there might be
15 other people out there who may also have access to the money
16 should not affect the Court's judgment of what this woman
17 has access to and has proved to have -- and we have proved
18 to have access to.

19 I have nothing further, Your Honor.

20 **THE COURT:** All right. Thank you, Mr. Pelletier.

21 Mr. Cogdell?

22 **MR. COGDELL:** It's interesting because for the
23 past two or three hours we keep hearing the phrase,
24 "Billions of dollars, billions of dollars." That doesn't
25 change anything. There's no proof that she's a serious risk

1 of flight. The Court knows the statute better than I do.
2 The Government has to prove serious risk of flight. They
3 have to prove or justify in some shape, form, or fashion,
4 Judge. I recognize they're not seeking detention but they
5 have to justify a million dollar bond that they're asking
6 for. This is not my first rodeo. I have been in a bunch of
7 trials over here. I've never had the Government ever ask
8 for a million dollar bond.

9 Their proof that she has access to those
10 funds is zero. Their proof that she didn't cooperate with
11 the SEC save and except this complaint suggestion is zero.
12 This proof that she's got access to fly away is zero. The
13 proof that she's got money hidden or secreted away is zero.
14 The proof that she's supposedly has access to hidden or
15 unknown Swiss accounts is zero.

16 With all due respect, the Government, this
17 Government, and the Securities and Exchange Commission are
18 talking out of two different mouths. Yesterday, as in
19 24 hours ago, the SEC gave her through her lawyer \$10,000
20 because she had no access to funds to get here to come here
21 to continue to cooperate. She's arrested, and less than 24
22 hours later, we have this suggestion -- and honestly that's
23 all it is is a suggestion that she has millions of dollars
24 tucked away somewhere.

25 Pretrial does this for a living. They know

1 what they're doing. They have followed -- they've
2 interviewed the right people, they've reviewed the right
3 assets and I suggest to you quite simply, Judge, that the
4 bond that they propose is a fair one considering these
5 factors.

6 This is a complaint. It's not even an
7 indictment. It's a five-year exposure. I don't like
8 exposure. And the federal round makes it a relatively small
9 exposure. She voluntarily met with the Receiver multiple
10 times. You know the purpose of a bond is to assure their
11 appearance in court, not to try to extract supposedly thumb
12 drives that they don't have any proof that she has or
13 computers that she -- no proof that she has to get back to
14 them.

15 She relinquished control of 168 million. We
16 hear on and on about how she didn't volunteer about the
17 accounts. I suspect it's in this Court's common knowledge
18 the first thing a lawyer tells a client to do is: "Don't
19 volunteer. Ask the question -- or answer the questions that
20 are asked of you." She answered every question put to her.
21 She's got no access to any funds known to the FBI.

22 She's the only target. She's the only
23 person named in the SEC civil complaint to so cooperate.
24 She's the only one to meet with the Receiver. She has no
25 criminal history. There's no risk of flight. There's no

1 suggestion of danger to me. The fact that they are asking
2 for a million dollar bond is honestly an outrage given the
3 absence of proof.

4 I suggest to you that the bond that Pretrial
5 suggested is appropriate. I leave it to the Court.

6 **THE COURT:** Mr. Pelletier, you have the
7 opportunity to reply if you choose but I don't think I need
8 to hear --

9 **MR. PELLETIER:** I've made my point.

10 **THE COURT:** All right. Thank you so much.

11 It's a serious case, there's no question
12 about it, in regard to the funds that are purportedly
13 missing. The purpose of bail is to reasonably make --
14 reasonably assure that the defendant will appear for trial.
15 I think the Government's request is too high, Pretrial's is
16 too low.

17 I'm going to release you on a \$300,000 bond.
18 Ten percent of that must be deposited to the Registry of the
19 Court.

20 You're to be under GPS monitoring.

21 You are not to commit any violations of
22 local, state, or federal law.

23 Your passport and your husband's passport
24 will be surrendered.

25 You are under an obligation to make all

1 court appearances in connection with the case. That
2 includes appearances to your pretrial services officer and a
3 promise to surrender to the prison authorities should you be
4 found guilty of this offense, and prison time being made a
5 part of the punishment in the case.

6 While you're on conditions of release, you
7 are not to do anything that would be seen as an attempt to
8 interfere with the Government's investigation, to obstruct
9 justice, to tamper with a witness, to retaliate against
10 someone for giving information to the Government. If you
11 did any of those things, I will revoke your bond and you
12 will sit in custody awaiting trial in this matter.

13 You have property in North Carolina.

14 You have two properties in North Carolina,
15 you have two properties in Mississippi; is that correct?

16 **THE DEFENDANT:** Yes, ma'am.

17 **THE COURT:** You are not to take any steps to
18 sell, trade, lease, share, do anything with those
19 properties.

20 Is your husband here today?

21 **THE DEFENDANT:** Yes.

22 **MR. COGDELL:** He is.

23 **THE COURT:** All right. I've already said I need
24 his passport, correct?

25 **MR. COGDELL:** You -- I don't know if you had --

1 if you've said it. He doesn't have it with him. I'll get
2 it FedExed.

3 **THE COURT:** I need the passport surrendered --
4 your husband's passport surrendered by 12:00 o'clock Monday
5 afternoon.

6 Your passport is already in custody,
7 correct?

8 **THE DEFENDANT:** Yes, ma'am.

9 **THE COURT:** All right. Do you have any firearms,
10 any weapons --

11 **THE DEFENDANT:** None.

12 **THE COURT:** -- anything like that?

13 **THE DEFENDANT:** No.

14 **THE COURT:** You're not to have any firearms while
15 this case is being prepared for trial.

16 You will be under the supervision of the
17 Pretrial Services Agency in --

18 **PRETRIAL SERVICES OFFICER:** Mississippi.

19 **THE COURT:** Mississippi is a big state.

20 (Laughter)

21 Tupelo?

22 **MR. SPEAKER:** Tupelo.

23 **PRETRIAL SERVICES OFFICER:** Tupelo, yes.

24 **THE COURT:** In Tupelo?

25 **MR. SPEAKER:** The (indiscernible). That's --

1 **THE COURT:** Well, I know that.

2 **MR. SPEAKER:** Everybody.

3 **THE COURT:** But that doesn't --

4 **PRETRIAL SERVICES OFFICER:** We've alerted that
5 office.

6 **THE COURT:** To that pretrial office? All right.

7 **PRETRIAL SERVICES OFFICER:** Yes, ma'am.

8 **THE COURT:** The GPS is to be accessed immediately
9 upon your release from custody.

10 Will that be from this building,
11 Mr. Pelletier?

12 **THE MARSHAL:** Yes, Your Honor, she'll be released
13 from here.

14 **MR. COGDELL:** Well, finish your admonitions and I
15 have a couple of requests to make because she doesn't have
16 30,000 today to post so if you could -- if the Court
17 wouldn't mind to allow me to make a request after you're
18 done with the admonishments.

19 **THE COURT:** Well, let's here this request.

20 **MR. COGDELL:** Two requests:

21 Number one, if the husband could surrender
22 his passport in Tupelo --

23 **THE COURT:** He can do that.

24 **MR. COGDELL:** -- as opposed to appear.

25 **THE COURT:** He can do that.

1 **MR. COGDELL:** Second, because of the funds
2 situation, we have 10,000 available for her to post bond
3 here, and I believe through her husband's family he can
4 raise the additional 20,000.

5 But can she be released here on the 10,000
6 with the requirement that within 48 hours or by Tuesday at
7 5:00 o'clock that the additional 20,000 is posted in Tupelo?

8 **THE COURT:** No, let's get it all posted. They
9 can post it in Tupelo though. They don't have to post it
10 all here. Ten thousand can be posted here and 20,000 can be
11 posted in Tupelo. That's going to be a hassle for the
12 Clerk's Office but I think it's doable.

13 **MR. COGDELL:** Well, if she's going to be held in
14 custody then, are you refusing or not willing to go along
15 with the --

16 **THE COURT:** I'm not willing to go along with that
17 request.

18 **MR. COGDELL:** Okay.

19 **THE COURT:** It's a more polite way of putting it.

20 **(Laughter)**

21 **MR. COGDELL:** Sorry, sorry. I slept exactly one
22 hour last night. I'm a little tired, I'm sorry.

23 If you'll give me a few minutes to talk to
24 the family, I may just have them bring the money here as
25 opposed to bifurcating it or --

1 **THE COURT:** Fine, that would be better for the
2 Clerk's Office, believe me.

3 **MR. COGDELL:** Okay.

4 **THE COURT:** Anything further, Ms. Brandt
5 (sp.ph.)?

6 **PRETRIAL SERVICES OFFICER:** Are we addressing
7 employment, and what the travel will be?

8 **THE COURT:** And you do need employment whether
9 it's wrapping hamburgers or what. You're not going to be
10 employed in any financial entity at all so you need some
11 kind of employment. I'll give you 10 working days to find
12 employment -- 10 working days from the time that you're
13 released from custody since I'm uncertain as to when that
14 will be.

15 **THE DEFENDANT:** Yes, ma'am.

16 **THE COURT:** But I do want you employed in some
17 capacity. And that's verifiable employment, not installing
18 cables or doing car detailing or landscaping.

19 **MR. COGDELL:** You were reading quickly. I think
20 that Pretrial suggested that she will be able to come to the
21 Southern District to meet with me as well as the Northern
22 District or court appearances. If that wasn't delineated, I
23 would request that so I won't have to go to Dallas every
24 time to meet her.

25 **THE COURT:** Here's the only problem: will GPS

1 accommodate that since we're talking about airports and --

2 **PRETRIAL SERVICES OFFICER:** It will if we don't
3 make it inclusive to that, but I'm waiting on your order for
4 that. And if -- do you want her hooked up here in Houston
5 to travel to Mississippi or --

6 **THE COURT:** Yes.

7 **PRETRIAL SERVICES OFFICER:** Yeah.

8 **THE COURT:** Yes, she's going to be hooked up
9 immediately.

10 **PRETRIAL SERVICES OFFICER:** We can make that
11 happen.

12 **THE COURT:** You can make it happen?

13 **PRETRIAL SERVICES OFFICER:** Uh-huh.

14 **THE COURT:** All right.

15 **MR. COGDELL:** So that request we will be --

16 **THE COURT:** Mr. Pelletier?

17 **MR. PELLETIER:** Yes, Your Honor, just briefly.

18 **THE COURT:** Sure.

19 **MR. PELLETIER:** Would that -- would you also
20 include other standard conditions that are set forth in the
21 pretrial services report, specifically not speaking with
22 witnesses and things like that?

23 **THE COURT:** Yes. I meant to cover that in --
24 well, I did cover that in terms of any obstruction of
25 justice or tampering with witnesses.

1 But I'll tell you more specifically to have
2 no contact with anyone who is involved in any of these
3 entities that are detailed in the complaint. There may be
4 other entities that are involved as well. Have no contact
5 with them at all. There may be occasions on which your
6 lawyers may want to speak with witnesses. If you're in your
7 lawyers' presence you may do so or in the presence of
8 lawyers for the Government, but do not meet with any persons
9 who have any connection to this case at all without your
10 lawyers being present; is that clear?

11 **THE DEFENDANT:** Yes, ma'am.

12 **THE COURT:** All right. Are there any specific
13 names that Ms. Holt should be --

14 **MR. COGDELL:** We're going to stay away from the
15 complaint that --

16 **MR. PELLETIER:** Well, I think the Court's order
17 was specific enough.

18 **THE COURT:** All right. Okay. If there's nothing
19 further then, Ms. McBroom will reduce these to writing and
20 have you sign and swear to these conditions of release.

21 Mr. Holt is going to be a cosurety on the
22 bond?

23 **MR. COGDELL:** Yes, ma'am.

24 **THE COURT:** And so he needs to sign and swear to
25 them as well.

1 **MR. COGDELL:** He's here.

2 **THE COURT:** And his passport -- you'll have till
3 Monday at noon.

4 **MR. COGDELL:** Thank you.

5 **THE COURT:** Okay. All right. The Court will
6 stand in recess.

7 **MR. COGDELL:** Thank you for your patience,
8 Your Honor.

9 **MR. PELLETIER:** Thank you, Your Honor.

10 **THE DEFENDANT:** Ma'am, I have one question.

11 **(Defendant confers with Counsel)**

12 **THE COURT:** Mr. Cogdell?

13 **MR. COGDELL:** Just to be specific and plain, the
14 lot in North Carolina --

15 **(Counsel confers with Defendant)**

16 It was already put on the market in January
17 before the Receiver's freeze and before this Court's order.
18 I'm not going to ask you to vitiate your order. I just want
19 you to be aware that -- just want you to be aware that it's
20 on the market now. I don't think she can, given my limited
21 understanding of the freeze order from the --

22 **THE COURT:** You may not be able to.

23 But what do you know about that,
24 Mr. Pelletier?

25 **MR. PELLETIER:** I don't know anything about that.

1 But I do know that the Receiver is probably
2 the appropriate person to talk to about -- if the Court
3 wants us to find out about how he's handling it. I think to
4 some degree most of that property is de facto under his
5 control.

6 **THE COURT:** Okay. So long as it's under the
7 Receiver's control, I'm happy just so long as the Holt's
8 don't have access to it before --

9 **MR. PELLETIER:** I hear you.

10 **THE COURT:** Okay.

11 **MR. COGDELL:** I just didn't -- she didn't want
12 the Court to be surprised by finding out that someone --

13 **THE COURT:** Thank you. All right. Okay, thank
14 you. The Court will stand in recess.

15 **MR. PELLETIER:** Thank you, Your Honor.

16 **THE COURT:** Thank you. Oh, and as an addendum,
17 gentlemen, I did have Pretrial just clarify what the
18 property was because it was unclear from the original report
19 so --

20 **MR. COGDELL:** Thank you, ma'am.

21 **MR. PELLETIER:** Thank you.

22 **THE COURT:** Thank you.

23 **(This proceeding was concluded at 2:29 p.m.)**

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1 *I certify that the foregoing is a correct transcript from*
2 *the electronic sound recording of the proceedings in the*
3 *above-entitled matter.*

4 */s lmartin*

5

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8 *DATE: JUNE 10, 2009*

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